

CANADA'S WEEKLY NEWSMAGAZINE



Maclean's

APRIL 25, 1983

\$1.25

POWER IN HIGH PLACES

The deadline was midnight. The eight men who faced it last week were members of the Ontario Securities Commission — men whose reach extends far beyond their provincial boundaries. They set the tone for the conduct of big business throughout Canada. Their activities affect the nation's finance, politics and morality. Before them lay a heavily documented set of recommendations from two of their own investigators that the commission file charges against the man who is big business incarnate: Conrad Black. And the eight men let the deadline pass.



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CANADA'S BIGGEST NEWS MAGAZINE

Macleans

APRIL 21, 1981 VOL. 56 NO. 17

COVER

Power in high places

Despite strong recommendations from its own investigators and a request from the attorney general to lay charges against Toronto businessman Clifford Hock, last week the Ontario Securities Commission decided against doing so, raising serious questions about the way big business, politics and the judicial system are interrelated.

—Page 20



The warning from Chicago

Harold Washington's narrow victory in Chicago's mayoral race has Democrats searching for an ethnic strategy that will win them back the White House.

—Page 29



Oscar goes political

A wave of political controversies swept the 53rd Oscars with Meryl Streep's portrayal of a concentration camp survivor taking one and Gandhi eight.

—Page 28



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The Golden State erosion

While Californians clean up after the ravages of this winter's storms, scientists predict that more violent weather will continue to claw at the state's coastline.

—Page 61



The friends of Mackenzie

The veteran MP took his case to his Commons peers, but there was surprise evidence that prompted doubts by Mackenzie about his course.

—Page 14



The laws that protect Canadian investors, large and small, are both ineffective and often arbitrarily enforced. Indeed, in some provinces securities legislation is 15 years old and clearly out of step with the frenetic pace of developments in the investment field. Two few uniform laws exist from province to province, and the only semblance of a standard-setter in the Ontario Securities Commission (OSC), which



Austin, Finlayson, McQuay

dominates the regulatory marketplace. The United States has its Securities and Exchange Commission, which is a federally chartered business watchdog that provides a coherent national standard for commercial activity. The idea of establishing a body similar to the SEC in Canada has been raised several times recently. And now an agency, operating out of Ottawa as the country's single enforcer of trading practices, is the only way in which to rid the securities industry of its current morass and to keep investors informed of their rights and interests.

Rarely has the need for such an innovation been clearer than during the confusion and controversy that surrounded last week's SEC ruling on the Corrad Black affair. Senior Writer Linda McQuay and Assistant Business Editor Ian Austin, who reported and wrote a groundbreaking story on Black's business affairs in the Feb. 21 issue, used the occasion to examine the delicate and vital web connecting ethics, politics and business. In only two days, McQuay and Austin, backed up by Research-Reporter Ann Finlayson, uncovered numerous secret documents and political exchanges. Along with researchers, copy editors and other hands, they worked into the early hours on Sunday to complete the package, which begins on page 38.

Kevin Doyle

Maclean's April 25, 1993

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Correction

In an April 11 article titled *Slime in the Street Industry*, *Mocking* stated that "Knewood Tree Electronics was acquired by Toshiba." Two Knewood Canada Inc. (the correct name of the company to which we intended to refer) has now advised us that it has not been acquired by Toshiba. *Mocking's* apologies for any embarrassment the reference caused.



Chamberlain sexy and desirable

Thorn Bird lovers

Referring to your review of *The Thorn Birds* (An *Hourly of Good* and Self-fulfilling Television, March 38), I feel I must protest strongly against the reviewer's arrogant opinions. By inflicting upon your readers his much misguided view of the film, he may have caused some people to forgo seeing what was, in my view, a superb production. Without a doubt it was the best thing I have seen on television for many years.

—JILL BROWN,
Saratoga

I have seen Richard Chamberlain in a lot of other shows but I have never been as impressed with him as I was in *The Thorn Birds*. He is sexy, desirable, handsome, and every woman I have talked to would have given almost anything to have played Maggie. As for Barbara Stanwyck, it would have taken a train of wild horses to drag me away from the series, as you suggested, when she left.

—BARBARA O'BRIEN,
Kew-Forest, N.Y.

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PASSAGES

DEEDS: Deleora Del Rio, 37, the Mexican-born actress and singer who achieved fame as such silent films as *Tamari Walsh's What Price Glory?* (1935), at her home in Newport Beach, Calif. Although Del Rio was never noted as a great actress, her exotic, long-limbed beauty and her clear soprano voice fit the Hollywood leading-lady model of the 1930s. In one of her last films, *The Children of Sanchez* (1970), she earned renewed praise for her beauty.

REMARKS: Abraham L. Feinberg, 83, rabbi emeritus of Toronto's modern Holy Blossom Temple, and genealogist Patrick Blanchard, 45, both for the second time, in their Reno, Nev., home. Feinberg, who has had a long career in what he calls the "giddy role of fixing the establishment," recently wrote the controversial book *Sex and the Pulpit*, in which he criticized what he calls "rigidity and conservatism" in the church. He is currently rabbi in residence at the Center for Religion and Life in Reno.

DEEDS: Christmas Humphreys, 83, known as Britain's "Gentle Judge," a poet, seclusive Buddhist and ascetic who developed a reputation for leniency during his eight years on the bench, at a heart attack, in his London home. Despite his religious belief that all life is sacred, Humphreys presided over 204 murder cases as a barrister for the Crown before he became a judge in 1963. One of his most famous trials was that of the last woman to be hanged for murder in England, Ruth Ellis. Her conviction in 1955 touched off the debate that ended in the abolition of capital punishment in 1969.

DEEDS: Desmond Bagley, 58, one of the world's most popular mystery writers (*The Golden Key, Running Blind*), in a hospital in Southampton, England. The former chairman of Britain's Crime Writers' Association began his career as a journalist and parlayed his extensive travels into 18 books, which have sold more than 10 million copies. His 1971 novel, *The Freedom Trap* became the 1972 movie *The Mockingbird Man*, starring Paul Newman.

ARRISTEN: Leopoldo Galtieri, 56, former president of Argentina, in Buenos Aires, after remarks he made to journalists about last year's Falklands War (Galtieri, who was army commander and presided during the conflict with Britain, will serve 60 days in detention at an army garrison and has been ordered by the current army commander, Gen. Cristina Nicolandrea, to face a military court of honor.

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NINA RICCI
PARIS

The jobless: no signs of hope?

You should be congratulated on a fine piece of work in your report on the jobless (*Out of Work, Cover, March 26*). The verbiage questions were heartwrenching. For what it is worth, may I make a suggestion? There are thousands of uncultivated acres of land in Canada. I know from experience that there is nothing better than gardening to take your mind off your troubles and to cut down on grocery bills. How about getting together with like-minded individuals and going into market gardening? This is something that both provincial and federal governments could support. On an individual basis, it takes very little land to keep a family in vegetables. I think we have to remember that there are just not going to be enough jobs to go around in the future and that the individual who learns to be self-sufficient is going to have the best and most secure life.

—ANNELEBERG,
Pembroke, Ont.

So Danny Reid's wife receives \$900 a month in welfare payments. This means she receives an annual income of \$10,800, or \$202 a week, or \$5 an hour. Not bad for not working. Many people have a full-time job that pays that much, and others would love to have one. Of course, having to live on welfare is not the Irish Sweepstakes, but neither is it anything to complain about.

—DARY F. SCHILL,
Mission, B.C.

You left me with the impression that it is a greater crime to be an unemployed man than an employed woman. Your article represented seven men but only one woman. I have great sympathy for the unemployed. Obviously, having lost income and searching for new work creates great stress. As women are still active members of society. When they are just in the "housewife" position, they should not feel useless, bored and depressed. For years women were expected to be happy, fulfilled housewives, and society has little sympathy for a housewife who fills her day with cooking, cleaning, looking after children and perhaps doing volunteer work.

—CHRISTINE K. HETTERICH,
Murray, Ont.

Bevel: Your cover article on the faces of the unemployed was long overdue. Every month when the new unemployment figures are announced, it is so hard to comprehend such a large number of people, let alone put faces on them. For every person unemployed, surely as we know it is being changed. The dream that if you work hard you are bound to get ahead is dying. If anything can be learned from these trou-



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kind things it is this: those who still have jobs, no matter how frustrating they are, count your blessings—you could be in next week's unemployment statistics.

—BRIAN BOZON, Pembroke, Ont.

Much of the media coverage of the unemployment situation concentrates on the misery, the hopelessness, the rejection. What about those who choose not to mope and complain or wait for society to bail them out, as if it were their due? I was laid off about three years ago and chose to start my own business as a way

out of the predicament. The business is now doing alright. I suggest that more self-help groups start up to get other unemployed persons into their own businesses; the possibilities are unlimited, except for imaginations and willingness to work, both of which seem to be in short supply among the unemployed.

—C. FRID, Guelph, Ont.

Instead of staffing the unemployed into a maudlin of despair, you could have offered some signs of hope. Did you

hesitate a new trade or discovering hidden talents? Had an unemployed hobby into a small business? Had no one devised ways to live on less money and still be happy? Perhaps there is benefit when people are forced to rethink basic assumptions, the most depriving of which is the idea that we actually deserve our prosperity. Perhaps a musician is the price we must pay for renewed energy and a more realistic perception of ourselves. Our system may well encourage dependency, but that is no reason for your unwillingness to be part of it. I challenge you to find and profile some people who have come up with an intelligent, creative response to the crisis.

—PAUL GRAYVILLE, Georgetown, Ont.

The daily statistics seem so cold, and it is easy to become immune to them. But your article confirms us with the shame, the guilt, the frustration and the anger that those who make up the statistics feel. Thank you for forcing us to see and feel the human tragedy behind all the numbers.

—CHUCK ALLAN, Winnipeg

Marriage: a matter of morals

It is apparent that the churches are failing in their mission by not following up in counselling couples through their marriage and instructing them in moral values (Catholicism With Devotion, Cover, March 21). As long as there is moral and spiritual decay in marriage, couples will be faced with divorce. If they turn into God, then the moral and social values will be back on the right track and we will see a refreshing new honesty emerge in our country.

—MARION WILLIAMS, Regina

I agreed with your conclusion about the importance of premarriage counselling for couples considering marriage. However, viewing divorce as a sign of moral decay to society is absurd. Why not call it what it is—evidence that the moral values of Canadians are deteriorating alarmingly? Moral problems can be corrected. The so-called experts you quoted merely painted a happy expression on a sad face.

—HUGH HEDLEY, Brandon, Man.

Coal liquefaction misunderstood

The March 22 letter to the editor commenting on the Scotia Coal By-Products Project (Backloggers to Gilliespie) shows a complete misunderstanding of the technology involved. The gasification-synthesis gas conversion process used to liquefy South African coal (have little relevance to Cape Breton coal qualities and the advantages of liquid transportation

two fuels for Canada. In fact, the type of process used in South Africa was found to be technically unfeasible for the Nova Scotia program. The test programs and feasibility studies have instead centred on current state-of-the-art technology that can take advantage of the coal's low ash content in direct liquefaction. There are numerous process routes to coal liquefaction in development throughout the world, and the key task is to select the most appropriate for the coal involved.

—JACQUES BENOIST, Mississauga, Ont.

Mistreating a great contributor

The references to Michael Sharp in Allan Fotheringham's March 7 column, *The Friends of Pierre Trudeau*, are clearly misleading. Sharp resigned his seat in the House of Commons in 1978 and since then has held only one position, that of commissioner of the Northern Pipeline Agency. Furthermore, the federal government is reimbursed for all expenses related to the pipeline, including all salaries, by the private Canadian company that is building the pipeline in Canada. Even at the age of 26, I am well aware of Sharp's many contributions to this country of ours and I am shocked to see him treated disparagingly.

—ANNE DUBIEL, Ottawa

Caring about the disabled

Thank you for the excellent article *No Room for the Disabled* (Health, March 26). As much as I believe in desinstitutionalization, your article has confirmed my worst nightmare—the cutting of health care and social services. These people who just do not care should take one day and watch the participants at a Special Olympics. If this experience does not touch their hearts and awaken their minds, then perhaps Hitler never died.

—MARY LOUGHELL, Windsor, Ont.

When Justin Clark was found to be mentally incompetent, this decision provided an opportunity for Justin to choose whether he would continue to live at the Rideau Regional Centre or move into the community. It was not simply a decision giving him the right to move into a group home as you reported. As anyone who was present during his testimony would know, Clark is very much aware of the limitations his handicap imposes. He also knows that a well-planned support network must be in place if his dream of moving into the community is to be realized. After the court's decision, Clark chose to follow the centre's normal discharge process. The strengths and weaknesses of several options, including a move to join his friends at Parag House, were con-

sidered. In order to improve the quality of care available to him at Parag House, we are applying for funding to increase the amount and flexibility of our attendance care services. This is being done on the advice of the house's residents, many of whom have professional experience in this area, and with the guidance and assistance of responsible officials within the ministry of community and social services. To my way of thinking, this represents a responsible way for Justin Clark and Parag House to proceed. Rather than becoming a "symbol for growing

debts about the wisdom of the push for widespread desinstitutionalization," as you report, Clark has become a symbol of the right of the disabled to choose where and how they will live. Your article gives the erroneous impression that Clark's friends have let him down, not inaspirable difficulties or even withdrawn their support. Nothing could be further from the truth.

—STEPHEN T. MCCARTHY, President, Board of Directors, Parag House, Ottawa



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Sex and the bottom line

Playboy Publisher Hugh Hefner, 57, wraps up charges that his magazine is pornographic and that the heavy costumes worn by actresses in Playboy clubs are degrading to women, but the sharp protests this year over the airing of Playboy-produced erotic material on Canadian pay television rattled the

wrought iron gates of his 5-acre Beverly Hills, Calif., estate. There is good reason for Hefner to be nervous. He has a \$30-million deal with the Toronto-based First Choice Canadian pay TV channel to produce films jointly in Canada—which could help offset losses of \$15 million last year. Attempts by

women's rights groups to ban erotic shows from pay TV threaten that deal, even though the publicity surrounding the protests—and the first round of Playboy shows—helped attract more subscribers. The controversy was on Hefner's mind when Maclean's Vancouver bureau chief Malcolm Gray interviewed him recently on the 30-minute Playboy Minutes. What did he share with his current companion, Newfoundland-born Shannon Tweed, 36-year-old 1982 Playmate of the Year? Characteristically, Hefner held a well-used black pipe, drank Pepsi and wore silk pajamas under a royal blue dressing gown—of LBD p.m. It is a casual style of dressing that he finds fits comfortably with his habit of staying up late at night and sleeping through the morning.

Maclean's: How do you feel about the charges that some of the Playboy productions for pay TV will exploit women or show sex with violence?

Hefner: We have a specific policy against combining sex and violence. It is

'We consciously gave up the audience that was looking for gynecological examinations of the opposite sex'

one of the policies of both the Playboy channel and of the magazine. I am very sympathetic to the general goals of the feminist movement. What I find most unfortunate in this highly publicized anti-sex movement under the guise of the notion that images and icons relate to sexuality are somehow devastating to women. What that says about sex and the relationship between the sexes is sad. The protesters dislike pornography as things that are involved with violence, involved with perverse forms of sexuality. But the market for the purveyed, harmful aspects of sexuality is very small. In terms of theatre-related films the market is relatively nonexistent. The violence content in X-rated films is slight compared to what you find in PG-rated films. There has been a tremendous increase in explicit depiction of violence in theatre-related films but not in X-rated films. In other words, there has been a lot of misrepresentation on this subject that has been repeated so many times that people think it is true. Look, if somebody is not interested in Playboy's particular kind of program, they have a simple way of dealing with that: it is called not subscribing to First Choice or not turning on the set when the Playboy programming, which is a very limited part

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of First Chichester's total picture, is on the air. What the protesters are really saying is, "I have a right to make the decision about what kind of ideas and images come into this house and also imagine what's inside the black." That was the last point of view.

Melitta: Time has become a different thing. We lost some support in liberal quarters when a portion of the women's movement began fighting pornography. It is something that has built up since the 1970s as some members of the women's movement got caught up in this notion of pornography. It is about the only women's issue these days that gets any real attention, and it is not just a false issue, it is very harmful to the movement. Instead of fighting the real problems that exist in society, a lot of people who care are caught up in this creature.

Melitta: The women who resist a protest would say that they were not so much endorsing an explicit specific stereotype.

Melitta: You are going to suggest that the notion of a Playmate is a stereotype, it is a derogatory term, a slur, a slur. Well, a stereotype it may be, but if that is one's total perception of what it means to be a woman, then that is very sad. Much of what Playboy really did in the 1960s and 1970s really became the foundation of the women's movement in the 1980s and 1990s. The major beneficiaries of the sexual revolution were women, because it was always women who fell into the degrading good-girl/bad-girl categories. This is a very curious time in which one has had more explicit sexuality in tape magazines going into the house and, conversely, more censorship in public and school libraries than any other time in the past 30 years.

Melitta: Does that indicate that public opinion is becoming more conservative?

Melitta: There is no question about it. It is no accident that the Depression in the 1930s was an oppressive period for books and movies. If the *Play of Sex* were published in 1983, it would not get the same favorable attention it received when it appeared in the 1970s. I think that, that is, that no matter what the reason, the more conservative patterns are going to disappear. When people are worried about their jobs and about paying their bills, they get more conservative.

Melitta: Your frequent guest, Penelope, has a more explicit sexual ap-

proach. Are you still competing with it in that particular area?

Melitta: Penelope attempts to create that impression because it is good for her. There was a period in the early 1950s—I refer to it as a period in which we lost our compass—when we felt that there was a greater acceptance of exotism. That lasted a very short time, and we consciously gave up the part of the audience that was looking

out of windows in London and Old magazine, among other things. Were those operations, as business decisions, mistakes or logic with?

Melitta: Games gambling in England was certainly no mistake. It produced major profits in the 1970s. (Playboy gave up trying to make gambling centers for these casinos in London and sold them in 1982.) The resorts in Wisconsin, New Jersey and Jamaica were never more than marginally profitable. We were never really able to serve two gods at the same time, going for family and conservative business on the one hand and trying to make the resorts contemporary and youth-oriented on the other.

Melitta: You have the reputation of being a rebel. Are you?

Melitta: I do not leave the house very much. The rebel notion began in the 1960s when I was living in Chicago and did not have access to leave the premises very often. But there was never any truth to it because the house had 70 rooms and there was something going on every night. Increasingly, a house is becoming more like a city shelter, it is becoming a place for work and play. I think that the present electronics and communications revolution is changing the nature of how we spend our time and time in the house.

Melitta: How do you spend your time here?

Melitta: My day begins in the early afternoon. It starts with some dictation and a meeting with my office staff, followed by a mid-afternoon meeting or interview. I do not edit the magazine directly and have not for the past 15 or 20 years. We have monthly reviews to set editorial policy and cover major plans. I go through the covers, Playmates and major features. I make the final decisions

on these. On typical weekends we have friends over on Friday and Sunday evenings for a buffet followed by television. Saturday night is usually open. Sunday and I might play some videogames in the games room.

Melitta: Your lifestyle has always been part of the Playboy image. Do you ever get tired of that image—have you ever thought of retiring?

Melitta: I think I am too active a person. I do not think I would enjoy retirement for more than a few days. As for the image, it obviously did not happen by accident—it was an attempt to personalize the magazine. I do not get tired of the image—I only have to deal with it in public situations. ♦



Melitta: small portrait for the personal aspects of sex

for genealogical examinations of the opposite sex. We gave up a portion of the audience, but Playboy became a much stronger magazine because of it.

Melitta: Your 30-year-old daughter, Christie, is the president of Playboy Enterprises Inc. Would she be president if she were not your daughter?

Melitta: Well, she is a remarkable woman. But no, I think it is fair to say that if she were not my daughter she would not be president. She and her brother (David, 27, an independent film-maker in Southern California) are going to inherit my stock—I have more than 60 per cent of the stock.

Melitta: Is the mid-30s age did seem to bear your way Playboy had to

FOLLOW-UP

Sir Freddie flies again

When the travel empire of Sir Freddie Laker, Britain's highest-flying entrepreneur, collapsed on Feb. 5, 1982, it was the end of a dream for the airline office boy who broke the grip of the giant airlines on transatlantic fares and pioneered profitable walk-on flights at bargain prices. But the ebullient Laker always said he would be back. Now, a year it took after the collapse, he is. Not content with a new tour business, Freddie Laker Holdings, which sells European travel packages and transatlantic charters to New York, Toronto, Los Angeles and Miami, the irrepressible 62-year-old wants to buy part of the struggling British Airways, which Margaret Thatcher's government is expected to offer to private enterprise next year. Ironically, BA is one of his major airlines against which Laker filed a \$1.7-billion civil lawsuit last November, charging that they illegally conspired to drive him out of business.

If shares are put up for "privatization" and if Laker, 60, succeeds with his bold plan to buy BA's Gatwick operations—in the second airport serving London—the coup would mark a dramatic turnaround for the flamboyant businessman whose future looked so bleak last year. More than 11,000 British passengers were left behind 98.5 million in worldwide flights when Laker's airlines were grounded in 1980. His companies, including Skytrain and Laker Airways, owed more than \$400 million to roughly 30 banks and other claimants, and he admitted that "everything I possess" was tied up in personal guarantees. Laker lost his company-owned Bella-Royce and his yacht—he now drives a Volkswagen beetle with the personal license plate PLT-1—and he has also sold his multi-prized thoroughbred stud farm in Sussex, near London.

But Laker has a blue-chip partner for his new venture whose main resources he is counting upon to keep him afloat: Lloyds, the multinational banking, engineering and construction conglomerate that controls Lloyds' prodigious Overseas newspaper empire. The holding's magazine, which put up half of the \$1.5 million for the new project, is headed by Roland (Toby) Rowland, 65.

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who is renowned for bold takeover plans (he still has Harrold's, the famous department store, in his acquisition sights).

Laker's comeback has provoked some resistance from the trade. Despite the objections of travel agents, the British Civil Aviation Authority last December granted his new company an air travel organizer's license. But the influential Association of British Travel Agents strongly objected to that decision and rejected Laker's application for membership in the organization. Undaunted, Laker hopes to overcome the rebuff by selling directly to the public through TV commercials—many of his old customers remain loyal—and he is offering half-price flights to people who held unused Skytrain airline tickets. John Jones, the general manager of Freddie Laker Holidays, refuses to disclose numbers, citing competitive reasons, but says that bookings are "going well."

While Laker's smiling face beams out from British television sets, the liquidator, Christopher Morris of Touché, Ross & Co. in London, continues to sift through the debris of the 1988 collapse. Full compensation has been made to about 95 per cent of the 180,000 buyers of package tours and 75 per cent of the travel agents involved. The eventual cost of those claims is expected to total approximately \$80 million. One accountant processing the claims complained that "many of the Laker records were in cardboard boxes under desks."

For his part, Laker admits that he has learned that a holiday tour business and an airline cannot be run side by side with cross-guarantees. "That is a sure way to bring an airline down," he said. But he firmly rejected accusations by the travel industry that he expressed feisty judgments in his running of Laker. He claims that the U.S. justice department's criminal indictment (investigation into transatlantic flights, prompted by the conspiracy allegations from Laker's civil suits, "vindicates me completely.")

Will Laker's new venture succeed? Hazel Flood, 45, his former publicity agent, is optimistic about his prospects and she says that he is determined to make it work, if only because of his ambitions for his five-year-old son, Freddie Alan Laker, the child of his third—and now broken—marriage. Still, despite her vote of confidence, Flood thinks that Laker should have launched his comeback from North America. "His biggest potential is stateside and in Canada," she explains. "Yet, whatever happens, he fought city hall on behalf of the public and he brought cheap air travel to the masses, and no one can take that away from him."

—CAROL KENNEDY in London.



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COLUMN

Night of the living computer

By Charles Gordon

There is always big money in scaring people to death. If you do not buy A, you suffer from B. The big scare this season is computers. Computers take your job. Computers let the other guy get ahead of you. Ignorance of computers consigns your son or daughter to a life in the gutter.

The videogame commercials on television used to be about videogames. You moved the stick around to avoid enemy rocketships. You pressed the button here to shoot them down. The whole family could enjoy. You would never look for a helpup. Now the videogame commercials are about computers. This machine here will teach your child about computers (as well as allow him to shoot down enemy rocketships). He had better know about computers. The boss in one of the commercials congratulates him on his high score in shooting down enemy rocketships. "Bat," says the boss, "what do you know about computers?" The kid gasps.

He is not, we also learn, the only one who should be gazing. There is the lawyer who loses the big case because the other firm has a computer. There is the important business meeting that breaks down in chaos because, in the absence of an office computer, human beings were left in charge of the arrangements. Computer literacy is the hot odor of the 1980s. You can see this by looking at the ads for summer camps. In *The New York Times Magazine*, prize inventory for the summer camp lister, no fewer than 36 camps feature computers, in addition to the usual hiking, swimming, horses, baseballs, spiritual enhancement and weight loss. The photo essays have moved across the border into Canada, where on such as \$400 a week can be made by positioning an Apple among the orange peels, bats of discarded birchbark and heads.

You would be quite wrong if you thought that this was happening because children were demanding to spend more of their summer incomes. Ads saying things like "I even, I liked, I ran a computer" are placed at future-shocked mommies and daddies. In case they do not get the message, they are told the ad promoting that little Jason and Tawney will "learn computer skills that will give them the competitive edge in school and careers."

The thought of Jason and Tawney facing a life in which all the other kids

have the competitive edge is written on the faces of the parents who stroll worriedly into the computer room of Ottawa's National Museum of Science and Technology. Despite the space made and electronic banks, there is a hushed feeling about the room. Their worries increase as they tread carefully past a sign that proclaims the digital computer THE WORLD'S ULTIMATE TOOL. "If it is the world's ultimate tool," the parents are thinking, "how come I do not know what the hell it is?"

This is a computer-whipped generation, accustomed to standing patiently at the checkout counter while the clerk runs a ten-cent over a piece of glass, coins appear on a screen, and an electronic voice says, "Ten-cent please." This generation will pay \$6 in the winter to hit golf balls at a picture of a golf course and let a computer decide whether they are good shots or bad.

Determined that the tee shots and te-

'The big scare this season is computers, and there is always big money to be made in scaring people to death.'

restices of the next generation will not be electronically held hostage, Mommy and Daddy enter Jason and Tawney to the educational display, sharing the difference between analog and digital, as they stand in golden slippers in a foreign place of worship. Computer camps can almost count their money.

As for Jason and Tawney, what they want is for their parents to go look at the old railway cars and leave them to summer on the computer by himself. There are several around the room, and kids, unsupervised by parents, are clustered around them, waiting their turn. A television screen informs a grown-up that a Toronto hardware is using a computer to obtain the precise chemical balance of his customer's hair.

And there is a key board that a grown-up can try. Jason and Tawney's daddy looks at a list of questions and asks the one that he wants answered. "Gd," the last says. "What is an integrator?" The grown-up punches Gd, and the answer comes up on the screen. "An integrator provides a sum of continuous analog quantities," it says. The grown-

up does not understand, but a happy thought begins to form. "I run a computer," he thinks. "Of course, I did not swim or hike." He considers this more seriously and learns that one of the first sums of punched cards was in 1881, for the purpose of controlling a weaving machine.

Meanwhile, is another part of the building the Ottawa Regional Science Fair is going on, beside an 1890 steam locomotive. Among the participants are a number of students sitting in front of home computers. The words "Sunflower Demonstration Menu" glow from one screen. Another display is labelled "Sound Waves Digital to Analog Synthesis." Michel Backhouse's project is labelled "Origin of the Planets." Says a printed explanation: "It simulates the formation of the inner planets using celestial mechanics."

Michael, a Grade 13 student at St. Robert Gordon High School in Ottawa, did not get into computers because he was frightened of the future. "I use them because they are fun to use," he says. As part of the fun he has learned five computer languages in four years. The idea that computers will eliminate jobs is a myth, he says. "If we make certain that the information revolution now going on goes correctly."

The journalist talking to him is trying to find out how frightened of computers the kids are. Michael, like the younger kids hammering on the keyboards back in the computer museum, is pretty comfortable with computers. The computer, he says, "is just a tool—a very powerful tool." The journalist, forgetting to ask Michael if he takes any swims, compares notes on computer journalism, a more technologically-inclined group than when it would be difficult to find, has been using computers for years but just never owns one. Then that they are. They do not know how the thing works but they know that you do this to get it, that to get out, this to delete, that to write, this to go to the beginning, that is to go to the end.

Having done that, the journalists get into their cars, turn the key, put them in gear and drive home without this thing about pistons, substructures and greaselines. At home, they turn on the television and watch commercials about computer literacy and dishwasher-compatible coats leave a smoky fly.

Charles Gordon is a columnist for the *Ottawa Citizen*.



Witness Harrison and the Mackasey family: 'You'll never hear brought this case to the committee'

CANADA

The friends of Mackasey

By Susan Riley

On many occasions, Liberal MP Bryon Mackasey enjoys performing in the glare of hearing television lights. The gregarious Montreal Irishman, now the MP for Laval in southwest Ontario, considers himself one of Parliament's more polished orators, adept, as he said recently, at using "the same speech on all occasions." But last week the glare of publicity was distinctly unfavouring. As Mackasey sat wistfully on the sidelines, a committee of his fellow MPs, charged with determining whether the Montreal Gazette had breached his privilege, examined allegations that he had improperly served as a lobbyist for a Montreal machine tooling company. A week of confining and sometimes astonishing testimony—including the introduction of a secret tape recording—did little to clear the air of Mackasey's name. At one point, the veteran MP leaned toward his wife, Margaret, and muttered, "I should never have brought this case to the committee."

Mackasey's concern was partly

prompted by the rambling, often contradictory testimony of Robert Harrison, a Montreal businessman and chairman of the Board of Trade who is Mackasey's personal accountant and friend. Harrison had caused trouble for Mackasey when he indicated to a regime bankruptcy hearing in Montreal last fall that the former minister was paid

The Mackasey affair is one in a series of scandals to beset the federal Liberals—and one of the most damaging

\$400,000 to lobby in Ottawa on behalf of the new defense *Les Ateliers d'Union* Hall. Like *The Gazette*, pursuing another case, came upon a transcript of the hearing and became curious about a two-minute gap in the testimony when Harrison went off the record, apparently to name the mysterious lobbyist. The Gazette interviewed eyewitnesses

in the courtroom and discovered that Harrison had named Mackasey. Since then, both Harrison and Mackasey have vigorously denied the March 10 story.

But last week *The Gazette* stated that Mackasey was producing an official master tape of the bankruptcy hearing—a tape that almost no one knew existed. It verified *The Gazette's* eyewitness testimony and clearly showed that Harrison had uttered Mackasey's name in connection with payments to an Ottawa lobbyist who had recently lost a good deal of money on the stock market.

Throughout the week of Ottawa hearings, Harrison insisted that Mackasey was not the lobbyist. He said that he himself and another Montreal businessman, Christian Joly, were the only owners of a ramshackle company, 19400 Canada Ltd., that Harrison established in 1983 to pay the Ottawa lobbyist. Harrison said, in effect, that he was the mysterious lobbyist. Later, he said that Joly had also lobbied on behalf of *Les Ateliers* in Ottawa—a claim both denied by Joly in Montreal.

Harrison then delivered his shocking revelation about the \$400,000 payment.



Gazette Publisher McConnell and reporter William Warden (right) defend

Money 109,000, he said, had paid the company for some stock that Mackasey held, even though it was worth only an estimated \$250,000—and was subsequently sold for just \$150,000. In a corridor press conference Harrison said the deal was a "sweetheart transaction" for his good friend Mackasey. He expected "the favor or good-will" as a result, he said. But Tory committee member Julia Rupp called the transaction "very strange" and he wondered about why any company would willingly take a \$150,000 loss. "What did you want from Mr. Mackasey?" he asked. It is a question that the committee is pursuing this week in meetings with bank officials and the former owners of *Les Ateliers*.

Whatever the outcome, the Mackasey affair is now the latest in a recent series of political scandals that have beset the federal Liberals. It follows on the heels of "Congrats"—the month-long furor that erupted over former Liberal energy minister Alexander Kilgus's plea to start a coal liquefaction plant in Cape Breton. Only three months earlier, another former Liberal cabinet minister, Jodi Buchanan, was also accused of breaking government conflict of interest guidelines in a *Buff, Alta.*, apartment project. And in Nova Scotia this week Harrington was rivaled by an offshore-peddling trial involving veteran Liberal food minister Senator Irvin Burnham—a trial that has already uncovered a network of routine favoritism and alleged political payoffs. The case

threatens a snowdrift of scores of party members. And if, as history testifies, there is nothing new about party arrangements, the sheer number of recent cases has led some MPs to wonder how many similar instances the public will tolerate. "It is getting so instant it is just catch-on," said New Democratic Party MP Derek Blackburn.

Until the hearing, Mackasey's most serious political embarrassment occurred in February, 1978, when the government appointed him to the \$90,000-a-year chairmanship of Air Canada only months after his defeat in a federal by-election. Later that year, after the new Tory government fired him, it was revealed that Mackasey had handed out 30 presidential air travel passes to associates during his brief tenure—including three to the mistress of a federal politician. Later that year, after the new Tory government fired him, it was revealed that Mackasey had handed out 30 presidential air travel passes to associates during his brief tenure—including three to the mistress of a federal politician. Later that year, after the new Tory government fired him, it was revealed that Mackasey had handed out 30 presidential air travel passes to associates during his brief tenure—including three to the mistress of a federal politician.

Considered a likable if somewhat astute MP, the former labor minister is so politically oriented that he could hardly resist pumping hands during the examination of his case last week. As Mackasey whinnied from the sidelines and tried to charm reporters, even opposing MPs at the table—a special sitting of the Commons—privileges and staffers committee—showed little inclination to attack him.

Ultimately there was probably more hostility to the Montreal *Gazette* than to Mackasey in the crowded hearing room. The newspaper is still renowned for publishing discredited charges against Liberal MP John Reid in 1975—charges that led to a raucous sitting of the same committee and complete exoneration for Reid. Last week Reid—now a Liberal member on the committee—was particularly scathing when he questioned *Gazette* executives. *Gazette* Publisher Robert McConnell, who mounted an articulate and thorough defense of his paper last week, especially its public applause for the *Gazette's* investigative efforts. "People don't like to be told there are trustworthy elements in their lives," he says.

It may well be that if there is anything Canadian defines more than the appearance of wrongdoing it is people who seek to expose it. For years one of the most unpopular men on the Hill has been Erik Nielsen, the Tories' handpicked Opposition leader. Throughout his 25-year career, the Yukon MP has pursued wrongdoing with extraordinary zeal and intense partnership. When he uncovered the Loran River scandal in 1985—he linked the notorious narcotics smuggler Rivard to a Parliament Hill aide and led to the resignation of well-known Liberal Justice Minister Guy Fauriol—Nielsen was accused of "McCarthyism" and "anti-French" bias.

Recently, 17 years later identical charges were made against Nielsen in the House of Commons during the February debate on the Gidday affair. The man who made them was one of Fauriol's junior assistants in 1968. André Ouellet, now federal minister of consumer and corporate affairs. In fact, the damning attack on Nielsen was replete with old grudges—such as his unimpeachable record. Ouellet's own attacks were Bryon Mackasey, who scolded the Tories for their own size of patronage and warned, "People in glass houses shouldn't throw stones." The attack on Nielsen was a warning to the public that the government was making the political world from its own well-worn mold.

If the committee finds that his privileges as an MP have been abused, he will likely be owed an apology—at least by Robert Harrison, if not also by the *Gazette* itself. If there is evidence that Mackasey took money to lobby cabinet ministers or government departments, he will be forced to resign his seat under the terms of the Senate and House of Commons Act. As the hearings continue, it is clear that Mackasey did not lack promising. But Mackasey was not unique. "After 30 years in politics," he told reporters, "nothing would shock me."

WHL Paul Gagnier in Ottawa

Cruising up to the test

The question was simply unanswerable. Had Allan MacEachen and George Ruxton (Ottawa's military response) of Washington formally asks to test U.S. cruise missiles over Canadian territory next winter? The minister for external affairs chose his words judiciously after eight hours of talks in Washington with the U.S. secretary of state last week. MacEachen said reporters that the cruise issue had indeed been raised and that Skultz "did advise it was the intent of the U.S. government to make a proposal for testing of the cruise missile in Canada." Although Skultz has not indicated when the request would be made, MacEachen had indicated it would be "sooner, rather than later."

The Canadian delegation was not particularly surprised—but in Ottawa the

reheated in Washington last week—that Canada would be regarded as a poor NATO partner if it refused to test weapons that are to be deployed in Europe.

MacEachen's talks were the third in a series of quarterly discussions instituted shortly after Skultz's appointment last year. For the most part, the disputes remain flat. But the meetings have nonetheless provided a forum for better management of the ongoing relationship and for strong bilateral or international commitments.

Global issues were the focus of the first night's talks, over snacks in the Skultz home in suburban Bethesda, Md. The secretary of state bolstered the steady himself, three times stopping away to take urgent telephone calls from President Reagan and officials in

department. With bilateral questions monopolizing the agenda, the two sides spent 90 minutes probing the subject of acid rain. But the search yielded little common ground. Skultz continued to claim that Canadian studies linking respiratory disease emissions to the increasing acidification of lakes and soil are inconclusive. Beyond science, there is political uncertainty. With Reagan's narrow, new Canadian diplomats said, Canada is now reconsidering its position on the issue. William Ruckelshaus—Reagan's nominee as the new head of the Environmental Protection Agency—conducts a full-throated review of the EPA's stand on the issue. Skultz assured MacEachen that Ruckelshaus would take an early and open interest in acid rain, but until then little real progress is expected. Skultz's approach, as he put it to the Canadians, is "to disaggregate the problem." Rather than seek a single grand solution to acid rain, the secretary proposed to reduce the issue to more manageable pieces and to study the cost benefits of placing in controls that will actually have some effect. The state department is now about to launch a study of possible actions, including one that MacEachen proposed: the washing of coal before burning. Said George Ruxton, a Canadian embassy official in Washington: "We really have to wait for Ruckelshaus to take charge and to see how he rebuilds the EPA. The extent to which he rebuilds will dictate the future of Canada-U.S. environmental relations."

But, if there was no satisfaction for Canada on acid rain, neither was there any for the United States on its chief policy complaint: the "backlog" provision of Canada's National Energy Program. Under the NEP, Ottawa claims rights to a 25-per-cent stake in foreign efforts of funds, even if development work had begun before the NEP was established.

Other contentious subjects surfaced as well, including the U.S. Export Administration Act, now up for review, which extends U.S. law to Canadian subsidiaries of U.S. firms. The two sides clarified some sufficient points but remain divided on the basic question of how far U.S. law can properly extend. For the second time in two months, George Bush raised a private query on Canadian exports of petroleums to Mexico, where the U.S. vice-president keeps a Canadian house.

Measured by concrete results, then, the visit was not especially productive. Diplomacy, on the other hand, is a long-distance competition in which progress is often in view as product. Agreements may be made, and progress may have gained no ground last week, but neither did it lose any.

—MICHAEL POSNER in Washington

A job program in jeopardy

The spring sitting of Parliament set off a miserable start for the Employment Minister Lloyd Axworthy. He came to work sore all over after an early ambition run during a weekend election marathon in Winnipeg. His first news was the report that the unemployment rate rose for the third consecutive month to a disconcerting level of 13.6 per cent. The second blow was a damaging headline that three cold water over his job creation program, work-sharing. By adding the disaster was a

thunderbolt had hit a man who was so sure of himself. It was some consolation that this week's budget would almost certainly contain some measure of relief for the nation's 1.7 million jobless. But the budget would only address a small part of Canada's unemployment crisis. Most economists are convinced that, no matter what the government does, the unemployment rate will remain above 10 per cent for most of the decade. That left Axworthy with the daunting task of convincing the public to launch bold new schemes to deal with unemployment that will persist long after budget day. And the first step in his crusade was to plug up the pieces of his shattered work-sharing program.

Work-sharing is the most radical of Axworthy's department's 140 programs. It was launched in December, 1982, as a six-month experiment to avert layoffs instead of cutting their work forces. Axworthy urged troubled companies to consider a new alternative, to persuade all their employees to reduce their workweek by a day or two, while the government provided most of the workers' lost wages out of its unemployment insurance fund. Within a year, work-sharing drew from a \$100-million pot to a \$300-million program. Axworthy received glowing publicity, his staff published regular bulletins praising the number of jobs the government had saved, and the minister was confident he could persuade cabinet to extend the program beyond its May 31 deadline—perhaps even to make it permanent.

That misfortune came, in his view, to prevent the program, recently released a departmental evaluation of work-sharing in the process. Based around the favorable figures and the bona fides' praise was a devastat-

ing statistic—69 per cent of all participants were out of work three months after the program ended in the participating companies. The failure rate included many headlines. And New Democratic Party employment critic Cyril Krieger (Winnipeg-St. James) denounced work-sharing as "a program that was supposed to prevent layoffs but whose real impact was to reduce people's incomes."

Axworthy was surprised and hurt by the attack. "It was probably the most



Axworthy picking up the pieces of work-sharing

On the personal front he is pushing for the establishment of a universal apprenticeship system, similar to those in many European countries, so that young people will no longer pour into the job market with no work experience or practical training. And he would like to see employers give all their workers regular subsidies to upgrade their skills and think about a career change. "We have to at least start examining these things," he said. "It would be tragic to be left with the status quo."

Most economists agree with Axworthy's analysis, but some dispute his solutions. Michael Walker, director of the Fraser Institute, a Vancouver-based conservative think tank, predicts that Canada will see out of the next seven years with a permanent unemployment rate of at least seven per cent, but says that programs such as work-sharing will only aggravate the problem. "Experience has shown it to be nothing short of a disaster," Walker says, reading an economic analysis of Italy's experience with work-sharing. "It only makes as economy more rigid. At precisely the time

program might not have been strict enough. But it was far from a failure.

In spite of last week's setback, Axworthy is determined to save and expand the program. He sees it not simply as a safety net for the present but as a key to the future. It proves that employers, employers and the government can work together to prevent layoffs, he says. But more importantly, it is the best of programs considering how the government will need to ease Canadians into what Axworthy believes will be a bleak job market in the future.

The high-tech strategy that is becoming fashionable will simply not work if it means you're being laid off to make a new worker from their job."

Axworthy said: "We're going to have to do a lot of reprogramming and retooling."

Work-sharing is one—but only one—tool that can make the transition less disruptive. Axworthy sees the program as a means of providing workers in dead-end jobs with a few months of part-time work, during which they could look for a new job, learn a new skill, or plan for the future. He also believes that the government should explore the idea of providing older workers with incentives to retire early and clear the way for younger people's policy that France is pursuing.

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MacEachen greets Skultz: the beef barbeduck the sheiks, politicos were an issue

Liberals are increasingly uneasy. A top Liberal strategist fears that when employment ceases to be the main national concern, the cruise question will almost certainly take its place. The seeds were planted last February, when the two governments unveiled an umbrella agreement that set out a framework for U.S. weapons testing programs in Canada. Under the deal, the Pentagon could propose specific tests, which Ottawa would ultimately accept or reject. Various kinds of weapons tests were envisaged: from artillery operations to aircraft navigation. But Ottawa had few illusions that the accord was basically a preface to a later agreement for testing nuclear cruise missiles. Despite opposition to the cruise, Prime Minister Pierre Trudeau lasted last month—and MacEachen

the Middle East. The two sides discussed the future of the U.S. peace initiative, arms control and Central America. There were sharp differences of opinion on events in El Salvador and Nicaragua. Canada contends that the military option is bankrupt and that any solution devised by force will soon unravel. Washington insists that it is seeking a political settlement, but must back the Salvadoran government's military efforts to maintain its fledgling democracy. At the same time, the United States is sending troops to Honduras in an attempt to prevent the flow of munitions from Nicaragua's Sandinista regime to left-wing guerrillas in El Salvador.

MacEachen and Skultz resumed discussions the next morning in Skultz's private conference room at the state de-

when workers should be flexible and adjust to the new realities of the marketplace, this kind of program provides an incentive to stay in overmanned industries."

Ted Carmichael of the Toronto-based C.D. Howe Institute has different evaluations about Anwarthy's approach. His assessment of the job crisis of the 1980s is that it results primarily from a mismatch between people and jobs. Canadians either have the wrong skills or are in the wrong places to find work, Carmichael says. What the government should therefore do is offer people incentives to move and train themselves and create their own jobs. There has been some of this, but not enough, he says. "Work-sharing is a sort of unfocused reduction in hours to spread the work around," he said. "Unless people choose to work less, I can't see such firms having a great deal of effect."

One economist who does support Anwarthy is Thomas Maxwell of the Ottawa-based Conference Board of Canada. The board expects unemployment to remain in double digits until at least 1986.

"What we're seeing are the early warning signs of chronic unemployment," he said. In Europe, where the problem is more advanced, there are whole-bodied young people in their mid- to late 20s who have never held a job. "But there's no reason it has to be this way," Maxwell said. "What the government has to do is educate people to think differently—encourage them to consider retraining and multiple careers and a shorter workweek." Work-sharing, he suggested, is "one example of the type of thing that will have to happen."

Changing attitudes is a gradual and sometimes painful process. Maxwell figures it will take Canadians 20 years to adjust to a world in which a man is applauded rather than scorned for spending a couple of days a week on the golf course. Of course, by then Canada's 1983 budget will be a dusty relic and Anwarthy will be nearing retirement.

These prospects did little to comfort Anwarthy last week as he reflected on the challenges ahead. But a few blocks from Parliament Hill, amid the cluster of art galleries and trendy restaurants in Ottawa's market district, an event was in the making that would have cheered Anwarthy immensely had he known about it. The event was the guest list for a new watercolor exhibition by two local painters who work for the Ottawa Board of Education. It is a novel footnote about the artists on the invitation, the gallery advised, "John Maxwell and Ted Carmichael." The painters position of sharing the same teaching position, which allows them more time to paint—work-sharing.

—CAROL GOALS IN OTTAWA.



Barrett in campaign bus, shared words and expensive jets

Trading insults in B.C.

In a British Columbia's short 29-day election campaign the different insults have given way to the style of Dave Barrett's suits and the wine tastes of certain Social Credit ministers. With little time—and seemingly little inclination—to tackle substance on the hustings, the governing Social and Opposition New Democrats are relying heavily on television ads to punch their rivals where it hurts. "Social Credit blew it," blazes an NDP message that accompanies a bottle of Pearly Farnish wine exploding in slow motion—a reference to lavish meals charged to the public account that forced the resignation of Consumer Affairs Minister Peter Hyndman last year. The Socials, who will spend more than double the NDP's \$100,000 for an ad campaign, in turn are boasting just as tough. William Bennett's party is attacking NDP leader Barrett's new moderate image. One Social ad shows a fat man climbing into a blue three-piece suit, in hopes that the public will buy the idea that Barrett is the same old socialist well dressed up in establishment garb.

The emphasis on style has cooled the response it deserves. At an NDP election rally in Port Alberni last week a man accused both Barrett and Bennett of being homosexuals. "How else would Bennett know you wear red underwear?" he asked. A flustered Barrett replied that it was Deputy Premier Grace McCarthy who had accused him of wearing red underwear beneath his pastries. "I want to tell British Columbia and Port Alberni that that is one woman who will never see my underwear," he said.

While Barrett made his way down Vancouver Island using a chartered

DC-8 and a rented car, Bennett was working himself to near exhaustion in the province's interior. During a series of 18-hour days, travelling in a notoriously appointed Greyhound bus, the premier was mauling his thoughts and shoring his words. The premier has been on the defence since he called the election for May 5. He had in fact in the NDP release of government documents calling for increased patients' fees for hospital and doctor visits. After trying to dismiss the leaked documents as disinformation papers, Bennett finally promised that fees would not be increased.

His starred words, rambling speeches and stumbles—in Salinas Arm he unwittingly told a meeting that "we took the tough economic action and are making it worse"—underlined his fatigue in the early days. Bennett has not made the process any easier in the heavily unionized province by forcing an impromptu plan that would make it easier to form or dissolve a union. Bennett promises to allow a simple majority of workers to form or dissolve a bargaining unit, sharply reducing the provincial labor board's supervision of certification votes. Neither labor nor management favor the proposal. But argue that it would lead to chaos in the workplace, as unions added such other and new units appeared and disappeared overnight.

Opening ultramodern schools, employment and care provide it remains the overriding issue in a recession-hit province. The party has managed to convince the voters it can best deliver what was the election, no matter how good—or bad—the ads are.

—MALCOLM GRAY in Vancouver



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A triumph! Washington (center) greets supporters. The victory sent a forceful message to the Democratic national strategists.

WORLD

The message of Chicago

For hours the reggae and rhythm and blues bands kept up a triumphant din. Then, Chicago's first black mayor-elect, Democrat Harold Washington, emerged to confirm his narrow 53-per-cent victory over Republican Bernard Epton. There were white faces in the cheering mob of Democratic party workers, but not many—fewer than 20 per cent of white voters backed Washington. In the seven-week campaign, whites who had for 30 years obeyed the orders of the Democratic party machine, made funnies by former mayor Richard Daley, abandoned their labels and worked for the Republicans. It was also a campaign that quickly became openly racist: Chicago's municipal election was "a tale of two cities," declared Rev. Jesse Jackson, who claims the role of Martin Luther King Jr.'s servant here. "There's the Gold Coast and the South Coast," he said, "wealth on the lakefront and, just a few blocks away, people who have been parching in a political desert."

Jackson's comment had powerful implications for areas outside Chicago as well. The municipal vote sent a forceful signal to the Democratic party's national strategists, who are divided over

how to regain power in next year's presidential election: Hamilton Jordan and Bert Lance, former aides to president Jimmy Carter, spearhead conservative Democrats who believe that the party must regain the key southern white vote from the Republicans by down-

There were white faces in the cheering mob of Democrats celebrating Washington's narrow victory—but not many

playing racism and racial tensions. At the same time, liberals like former vice-president Walter Mondale—the current heavy favorite for the Democratic nomination—want to win back the 75 million Americans who did not vote in 1988, presumably because they believed that neither presidential candidate represented their specific interests. Washington's victory strengthened the liberals' hand. Said Atlanta Mayor Andrew Young, a Mondale supporter: "The enthusiasm generated in Chicago is go-

ing to suggest, 'this is what we need to get a president elected!'"

But even if the liberal faction triumphs, the lesson of Chicago is that the party still faces a divisive internal struggle over how to accommodate black aspirations without shattering the delicate Democratic racial balance. Many blacks argue that the party's leaders, black and white, have shadowed Jackson's vision as the assumption that, regardless of their policies, minorities will automatically vote Democrat. Millions acknowledge that more than 5,000 blacks currently hold elective office in the United States, an all-time high. But they contend that these officials have failed to stop the erosion of social gains won by blacks throughout the 1960s and 1970s. They point to the general downgrading of the importance of busing to integrate schools as one indication of regression in their human rights campaign.

At the same time, black activists to universities are stilling below their 1970s peak, unemployment among young blacks exceeds 50 per cent, and in parts of cities like Chicago, a stark reality rates approach Third World levels.

Last month 36 black leaders met in Atlanta to hammer out a strategy to regain the support and trust of their natural constituency. Opposed by "establishment" blacks like Young, they resolved to field a black presidential candidate in next year's Democratic primaries. By splitting the party, they concluded, the black bloc could become a major power broker, perhaps even winning the vice-presidential nomination. That prospect, however, appears to be extremely remote, at best.

Still, in Chicago last week the strategy's most vociferous proponent, Jackson, argued that the plan is workable. Its key tactic: a nationwide voter registration drive to increase the number of black voters from 30 million to 44 million by next year. That campaign would repeat on a national scale the strategy

party machine had produced the victory. Added Mondale: "The bottom line is that he was because of a coalition of voters throughout the city." Young, who is expected to endorse Mondale, was more forthright: "I am not persuaded that a black [presidential] candidacy will best serve us at this time," he said.

In Chicago black militancy was first aroused last spring when former mayor Jane Byrne replaced four black city officials with whites who were widely believed to hold unimpeachable racial views. Angry black commentators promptly boycotted Byrne's civic activities and began to sign up new voters in an attempt to ensure her defeat in a city that is 60 per cent black. "We shamed them into signing up," declared LeVanda Porter, a self-employed cosmetician. "From the pulpit, door-to-door, from all radio—

Jewish corporate leaders, assumed a blatantly racist character. YOUNG WASHINGTON TO HAVE YOUR HOME was one slogan targeted at property owners who fear that blacks will be encouraged by Washington's win to move into white areas, reducing real estate values. The police, worried by Washington's vow to form a citizens review board that would oversee their activities, quietly told the media that he had once been arrested on child-molestation charges. Then, when that allegation proved to be unfounded, police investigators released from their files the details of Washington's 30-day jail sentence in 1971 for misemployment of inmate task by hawking at Washington's spotty legal history. Epton hoped to provide 400,000 former Byrne supporters with a concrete motive to break party ranks and vote white.



that Washington's supporters used to win him the Democratic mayoral nomination, and the election.

The Democrats' liberal leadership is clearly anxious to make the black vote's newfound militancy work to the party's advantage. But there is little support among the party hierarchy for the idea of a black presidential candidate. Indeed, senior party officials concede that even the appointment of a black vice-presidential candidate would end in an electoral disaster. Most pessimistic, in that, agree that even by the 1992 campaign it will be extremely difficult to convince the nation that the time is right for such a move. After Washington's success Mondale carefully avoided the race issue in an interview, instead instead that the need



Defeated Republican Epton (party Washington workers: 5,000 office-hours)

even kicked people out of my shop to go sign up."

In a year black voter registrations increased by 100,000, and the race accelerated after Washington won the nomination from Byrne in February. But that enthusiasm did not extend to the Democratic party's leaders, who backed Byrne in the primary. As a national at-large focused on the municipal campaign, Democratic presidential hopefuls such as Mondale fled to the city, hoping to grab a share of the spotlight. But they received only a lukewarm reception.

Meanwhile, Washington's battle with Republican hopeful Epton, a millionaire

But Epton's appointment was no wish for the unfolding power of a genuine mandate. From across the nation young blacks flooded into Chicago to work for "Harold" and the automobile candidates he had endorsed. On election day Kansas City, Mo., attorney Carol Cox was paraded into the all-black 33rd ward to pull in the vote. At one point police arrived to investigate charges that shots had been fired at candidates whose Washington had endorsed. But Cox remained unruffled. "We used to get together to desegregate lunch counters," she said. "Now we're getting together to desegregate politics." The political question facing the Democrats in the next few months is how far they will have to proceed with the process. —VAL RUSSELL IN CHICAGO

Walesa's May Day challenge

Since his release from detention last November, former Solidarity trade union leader Lech Walesa has played a perilous, though ill-defined, role in Poland's political and social drama. To Gen. Wojciech Jaruzelski's government, the 39-year-old electrician is a private citizen with no authority to operate outside the severe restrictions introduced in late 1982 to replace martial law. But Walesa has nevertheless continued to act as an agent for resistance, despite official efforts to neutralize him.

On April 9 Walesa managed to evade the plainclothes police who monitor his every move, and met secretly with fugitive leaders of the now illegal Solidarity Presidential Co-ordinating Committee (TKK). The first such gathering since Walesa's release, the encounter was intended to co-ordinate strategies between above-ground dissidents and the nation's shadowy network of fugitive ministers. The exchange inevitably boosted dissenting dissident circles, and the authorities issued a call for widespread protests on May 1. However, Walesa's own admission that the meeting had taken place proved too provocative for Jaruzelski.

Two days later, as neighbors listened from their doorways in his apartment block, Walesa traded angry words with three policemen who demanded that he go with them for questioning. Walesa protested that the police lacked a warrant for his arrest. But he allowed himself to be led a way after they threatened to use force. "Tell the whole world we are breaking the law," he shouted to Western pressmen. The police bundled him into a unmarked automobile. Five hours later authorities returned Walesa to his home. "They came again today several hours from your life," he declared, adding that he had refused to answer any of the authorities' questions. Later, in the words of the President, Walesa, his wife, Danusia, and his driver were also briefly questioned by police about the meeting with the TKK. But both were uncooperative. "I said I knew nothing about

it," explained Danusia outside the presidential police headquarters in Gdansk. "After all, [Lech] is a grown-up person, and as far as I am concerned he was simply away for three days."

The Walesa defense reflects a growing mood in Poland that could lead to a new period of arrest. When Walesa was released after 14 months of detention, his fellow prisoners had grown apathetic under the yoke of martial law. But it is recent weeks the Jaruzelski re-



Walesa (right), wife, Danusia, and bodyguards defiance

is a desire not to jeopardize a long-promised visit by Pope John Paul II, scheduled for June. There is also concern for individual safety at a time when the word solidarity is seldom used even in a general sense. One former independent trade union leader noted that few Poles are willing to openly defy the authorities. "The rest have become afraid to stick their necks out," he said. "We'd first have to break that fear again."

In part, Walesa's pronouncements since his release have reflected the cautious approach he publicly endorsed the two-month trial's call for an amnesty for political detainees and fugitives. But he did not support the underground's appeal for peaceful resistance and non-cooperation in support of demands that the state's grip be loosened. "The objective is the same," Walesa explained earlier this year. "But there are many ways of reaching it."

The restraints on Walesa's freedom of action are formidable. Despite his recent evasion of police surveillance and a defiant announcement that he will do so again, Walesa admitted that at times there are no less than 50 policemen watching him and his family. There is also a constant, unspoken threat that the government will place him in detention if he proves to be too potent an adversary. When the next last week issued its call for May Day demonstrations, Walesa's support was indirect and delicately phrased. In an interview he said of the protest call, "You must understand I am not distancing myself from it, and also you must understand why I am saying this now."

The turnout at the May Day protests will be watched closely as a barometer of the current strength of the dissident movement. If there is massive support for the underground, Jaruzelski may feel that he has to crack down again and perhaps cancel the Pope's visit. If there is little response, the dissidents may lose credibility. The powerful Catholic church is bringing its influence to bear on the government.

In the meantime, the government is using the public's desire to push through a popular economic program, such as price increases of 100 per cent for sugar and 60 per cent for cigarettes. Indeed, reviving Poland's ailing economy seems to be a higher priority on the official agenda than national reconciliation. Another priority for the Polish Politburo's Central Committee, due to meet next month, is the future of the Communist party, believed by some to have 70,000 members. But that is a long-term consideration. The most immediate concern of the Jaruzelski regime will be counting heads on the streets during the May Day protest.

—SUE MATTHEWS in Warsaw



Armed British consulates: stronger powers amid an alarming rise of lawlessness

BRITAIN

The fears of a police state

Rarely had any proposed legislation so ruffled Britain's professional and political elite. Reaction to proposals that would empower police to seize records kept by doctors, churches and members of other "sensitive" professions was swift and angry. The so-called police and criminal evidence bill, now before the House of Commons, would have eroded the sacrosanct relationship that doctors, social workers and clergy have with their clients. But last week the minister responsible for the legislation, Home Secretary William Whitely, backed down and deleted clauses referring to police access to confidential medical and personal records.

The dispute over confidentiality is only one of a number of the bill's provisions causing police and other law enforcement agencies to express their need to tackle the increase in armed crime. But the statistics can be misleading. A recent announcement said that firearms offences had risen from 1,334 a year in 1971 to 3,867 in 1981. It was not explained that 3,044 of these offences were minor—typically cases of teenagers damaging property with air guns. The real test for the legislation will come later this year in the House of Lords. One House Office source suggested, tongue-in-cheek, that Whitely's climb-down last week was a result of his fear of doctors. "Half the House of Lords are doctors themselves, and the other half are under medical care," he said.

Despite the alarming tale of lawless-

ness—armed robberies in Manchester, for instance, scored 258 per cent between 1979 and 1982—criticism of the bill has poured in from the Opposition Labour Party, lawyers and the National Association for Civil Liberties. The media, too, have scorned the bill, which in its original form contained a clause enabling police to demand journalists' notes.

Ironically, one area where further police legislation would be welcomed is that of gun control. Earlier this month Manchester Chief Const James Anderson's temporary instruction to his officers and the "banquet" like his current superior, James Kirkpatrick, Wadsworth's ambassador to the United Nations, Adelman is generally regarded as an anti-Soviet hawk. In an interview with the *Telegraph*, he said he would negotiate arms control for political reasons but that the process was a slow. At the confirmation hearing Adelman denied using the word "banned." However, he does regard exiting arms control agreements as an extremely slow. And his own conservatism is well-illustrated. Colleagues at the US mission describe his rhetoric as "more of the most famous language heard around here since the Cold War." Adelman himself is more diplomatic. Reviewing Britain's arms control policy, he said: "I have had dealings with the Soviet Union for two years in New York. I have found it possible to negotiate with them."

While Reagan was visiting the Ad-

A mixed match in the arms race

For several weeks the outcome was uncertain. But, after three White House lobbying, the Senate last week confirmed the appointment of Kenneth Adelman as President Ronald Reagan's nominee to head the Arms Control and Disarmament Agency (ACDA). The final vote was 55-45, a margin that was considerably larger than the administration had expected. Senate Democrats attacked Adelman, 36, for lack of commitment to arms control and for his reported plans to purge the agency of personnel who did not share a hard-line view on current US-Soviet negotiations. When the Senate began debating the nomination last week, Massachusetts Democrat Paul Tsongas claimed to have nearly enough support to block the appointment. But Tsongas rarely underestimated the president's persuasive powers.

Many undecided legislators expressed residual doubts about Adelman but they finally felt that the president was entitled to his own nominee. Only seven votes in the 85 years he has served evoked its constitutional power to reject a presidential appointment. In the end virtually all the undecided members backed Adelman, a shift that Tsongas attributed to the administration's "remarkable display" of lobbying skill.

Adelman may also have been helped by the Senate's understanding of whose power resides within the administration. At the ACDA Adelman will be part bureaucrat and part consultant, but the arm control central decisions will be made by Reagan. Secretary of State George Shultz and the Pentagon, like his current superior, James Kirkpatrick, Wadsworth's ambassador to the United Nations, Adelman is generally regarded as an anti-Soviet hawk. In an interview with the *Telegraph*, he said he would negotiate arms control for political reasons but that the process was a slow. At the confirmation hearing Adelman denied using the word "banned." However, he does regard exiting arms control agreements as an extremely slow. And his own conservatism is well-illustrated. Colleagues at the US mission describe his rhetoric as "more of the most famous language heard around here since the Cold War." Adelman himself is more diplomatic. Reviewing Britain's arms control policy, he said: "I have had dealings with the Soviet Union for two years in New York. I have found it possible to negotiate with them."

While Reagan was visiting the Ad-

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man battle, however, he appeared to be in danger of losing an earlier front. The Democrat-controlled House of Representatives turned aside two Republican amendments aimed at diluting the force of a nuclear freeze resolution. The final House vote was postponed until this week, but the resolution—calling on the administration to negotiate a mutual, verifiable freeze on nuclear weapons with Moscow—is expected to pass comfortably.

Last week the president invited 25 Democratic congressmen to the White House in an attempt to persuade them to vote against the measure. Secretary of Defense Casper Weinberger told the legislators that a vote for the freeze would be a vote for unilateral disarmament. During floor debates, however, Wisconsin Democrat Clement Zablocki declared that Washington would operate under no such restraints. That would presumably exclude most-choice cruise missiles, which both Moscow and Washington are currently developing. These remarks have clearly weakened the original freeze concept, but the Reagan administration would still require House approval as a symbolic blow to its negotiating stance.

The president clearly was not confident that he could repeat his Afghanistan victory on the freeze issue. Pending a House vote, he decided to delay reannouncing that Congress accept the findings of his special commission on the MX missile. The commission's report, produced by a bipartisan blue-ribbon panel that included six former secretaries of defense, said that the United States should deploy 100 MX missiles in existing Minuteman sites in Wyoming and Nebraska. At the same time, it recommended the development of a new Midwestern weapon—a smaller, mobile single-warhead missile. Although the MX would remain technically vulnerable to a Soviet first strike, the commission argued that deployment is still needed to convince the Soviets that Washington has the political will to match the Kremlin's own military buildup.

Many politicians favor the Midwestern proposal, but they are uneasy about the prospect of spending \$14.6 billion over five years to deploy the MX. A reliable weapon, they stated, is an obsolete weapon. Others, such as another Wisconsin Democrat, Les Aspin, concede that there is no reason why it should be the MX. But they still regard construction of the weapon as a reasonable alternative to reliance on Reagan, one glowing victory would pale significantly if he is forced to accept defeat on issues as sensitive as the MX and the freeze. But his past successes in congressional case-carrying argue well for his future.

—MICHAEL FINGER, with William Lowther in Washington

THE MIDDLE EAST

A deadly warning to moderates

A white hearse carried Iyaz Sartawi's casket through the streets of Amman last week, and the mourners lowered it into a tomb reserved for martyrs. The assassination of the senior policy adviser to Palestine Liberation Organization leader Yasser Arafat came on April 30 during a 36-



Arafat's setback for the Reagan plan

ciast International conference in Portugal, and it was a blow to the voices of moderation in the Middle East. Sartawi was one of the few PLO leaders who urged recognition of Israel and ceasefires. Furthermore, his death, on the very day that Jordan's King Hussein announced he would join peace talks based on the Reagan administration's peace initiative, was a warning to moderate Arab leaders: radical Palestinian groups like the Damascus-based Abu Nidal faction, Sartawi's killers, remain committed to terrorism in the

36-year-old war against Israel.

Hussein's decision was a blow and to U.S. efforts to move beyond the Egyptian-Israeli peace treaty agreed to in 1978 at Camp David. Reportedly, Hussein and Arafat had reached accord in Amman earlier this month on the shape of a joint Jordanian-Palestinian team that would negotiate the future of the West Bank and Gaza Strip. The PLO—the sole representative of Palestinians, according to a 1974 Arab summit decision—was to retain a veto over Palestinian claims to the designation. However, before the agreement was signed the PLO leader took it to Kuwait, apparently to clear it with other factions.

The clearance never came. Instead, Arafat dispatched two emissaries to Amman, offering changes in the language that effectively repeated radical PLO demands for exclusive representation and the creation of an independent Palestinian state. The Reagan plan envisages something short of sovereignty: a temporary autonomous West Bank entity linked by confederation to Jordan. While that association might lead to an independent Palestine, extremist wings of the PLO were clearly not prepared to take the gamble.

In Washington both President Ronald Reagan and Secretary of State George Shultz denounced the PLO's action but expressed understanding for Hussein's resolve not to enter talks without Palestinian backing. Although Israel also rejected the Reagan plan, Washington firmly believed that the arrival of Hussein at the bargaining table would compel Prime Minister Menachem Begin to negotiate. The United States had even promised Hussein that Washington would pressure Israel for a freeze on the West Bank settlement if he would join the process. Shultz's advice to Arafat last week was to "use it or lose it," a euphemism for exploiting opportunities or watching them slip away.

Washington's dilemma is where to turn now. Reagan has invested personal prestige in his proposal and remains committed to it. But without movement from the Arab world, prospects are anything but good. Visiting Sweden last week, Arafat insisted that his consultation with Hussein would continue, and the PLO's executive committee was scheduled to review its stance in Tunis over the weekend. But most observers believe that what PLO radicals voiced once they can vote again and that the Reagan initiative may be laid last week in a martyr's grave in Jordan.

—MICHAEL POTROSK in Washington

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Oscar winners Al Pacino and Gregory Peck, best actress Streep, Kennedy Joe, Bill and Michael (left), and new nominees



Last week's 58th Academy Awards presentation seemed to mark a new wave of political consciousness in Hollywood. **Leslie Grossman** Jr. became the first black to win an Oscar (best supporting actor for *An Officer and a Gentleman*) in 30 years. **Shirley**, the **Jack Lemmon-Grey** **Spanish** police against the workings of the U.S. state department, was far the best adapted screen-

play. **Meryl Streep** was named best actress for her portrayal of a doomed concentration camp survivor in *Sophie's Choice*. And the movie *Gladiators* received eight golden statues. "I think *Gladiators* would have enjoyed the attention,"

best actor **Ron Kline** said. "He believed in taking pride in one's work." So, obviously, does the film's director, **the Richard Attenborough**, who, in a lengthy acceptance speech for his best director Oscar, stressed the importance of sustain-



ing Gandhi's plea for world peace. Still, Attenborough incurred the wrath of the late Mahatma's adopted granddaughter and daughter-in-law by agreeing to act as an all-white presence this week in the racially segregated South African city of Johannesburg. After the predictable wave of protest broke over his head, the redoubtable 59-year-old director said that he would only attend the opening or any subsequent screening in South Africa if

all races were present in the theatre. That sounded like a relatively weak compromise, particularly in view of the Mahatma's own uncompromising standards.

A small backyard in the Toronto suburb of Don Mills hardly seemed the place for three members of the powerful Kennedy clan. But **Etzel Kennedy** and

her sons **Joseph**, 38, and **Michael**, 34, looked comfortable enough last week as they stood outside in 5 C weather telling

debating reporters how they proposed to add warmth to the lives of Canada's poor and elderly. Their appearance marked the launch of a Canadian branch of the Robert F. Kennedy Memorial, a program designed to generate funds for the needy from the sale of excess oil in tanks when people convert to gas heating systems and the yard they need for the post conference.

belonged to the first "conscientious" donate oil, **Miriam Meer**, who heard about the program from a co-operative gas company in scripted speeches. Etzel thanked broadcasting sales **Donna Bassett** and Prime Minister **Paul Martin** for their assistance. Michael talked about American Indians, Appalachians and increasing "dialogue among young people." And Joseph expounded about the benefits of the program in all of Canada's "states"

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COVER

POWER IN HIGH PLACES

By Linda McQuay and Ian Austin

It was late at night Tuesday April 12. Right members of the Ontario Securities Commission (OSC) gathered for an emergency meeting in a downtown Toronto office tower and they found a weighty question should they prosecute prominent investor Conrad Black? Confronted the men were asking recommendations that they should lay charges of misrepresentation and other breaches of the Ontario Securities Act against the 38-year-old millionaire chairman of Argus Corp. Those recommendations were made not only by the OSC's investigators but also by provincial Attorney General Roy McMurtry. Then, as the midnight deadline for laying charges approached, the commission decided it would not turn Black over to the courts. The full reason for the decision may never be known, but it raised major questions about the way big business, politics and the judicial system interrelate in Ontario and, more generally, how power is wielded in high places.

The impact of the OSC's decision was

immediate. Thursday morning's newspapers carried reports of the OSC decision. On the same day, Black attended the annual meeting of Norcan Energy Resources Ltd., one of the principal companies in Black's empire, with a glass raised and later he declared that he had been "absolutely overreacted." But neither Norcan's shareholders nor

Recommendations to the Ontario Securities Commission called for 26 charges—nine against Conrad Black

the public at large knew that the OSC's own investigators and McMurtry had requested that charges be laid under the Securities Act. In fact, McMurtry has learned that after an 11-month investigation into Norcan's unsuccessful bid to take over the Cleveland-based Hanna Mining Co., two OSC investigators, Gary Curran and

David Knight, produced an internal 138-page report—including 18 documents, many of them confidential—to make their case. In sometimes strong language, they called for a total of 26 charges to be laid—eleven of them against Black himself. Of the remaining 17 charges, they said that eight should be directed at Norcan and nine at the company's president, Edward Bettis. The proposed charges related to five public documents which the investigators said contained false statements that could unfairly mislead shareholders. Individuals convicted under those charges face a maximum fine of \$1,000 or up to one year in prison or both. Not only did the commission have that report to rely on, but two of McMurtry's Crown attorneys, both experts in securities law, made forceful representations as to the minister's behalf, backing up the submission of the OSC's investigators.

The OSC is not the only body that has looked into the Norcan takeover bid. In a strongly worded statement, Judge John Nason of Cleveland granted Hanna a temporary injunction, pre-

venting the takeover, last June and the matter was later settled out of court. As well, the United States Securities and Exchange Commission—the U.S. federal securities regulatory agency—investigated and settled for a promise from Black and others that they would adhere to U.S. securities laws. In Canada the Metropolitan Toronto Police fraud squad launched an investigation which is now entering its second year.

Those investigations focused on the same issue—when did Black and Norcan form an intention to take over or gain a significant interest in the U.S. mining giant? The question arises because securities laws require that when a corporation plans a major move, such as a takeover, it must publicly reveal its intentions. That is because reports of a takeover bid usually drive up the price of the stock involved, and someone could profit as a result.

The OSC first suspected something might be wrong during the U.S. court action. On April 13 last year Hanna's lawyers in Canada met with then snc Chairman Henry Knowles. They presented him with a letter charging that Norcan had knowingly withheld information about the takeover bid and they requested that the OSC investigate. Under Ontario law, the OSC, a non-member body, has broad powers over the securities industry. Not only can it conduct investigations of its own but with the approval of the minister of consumer and commercial relations, currently Robert Kipke, it may also lay

charges under the Securities Act. Because Toronto dominates the Canadian securities markets, the OSC is effectively the industry's national watchdog.

Even though a large volume of material from the U.S. court action was available last spring, the OSC investigation proceeded slowly. In fact, the investigators did not produce their first report until last September. Their work was far from complete at that point, but they indicated even then that they had strong suspicions that the Securities Act had been seriously violated.

The OSC investigators' main concern was an apparent discrepancy between two key documents. The minutes of a Norcan executive committee meeting in Calgary on Sept. 3, 1981, show that Bettis announced that Norcan had started to buy a 49-percent interest in an unidentified U.S. company "with the ultimate purpose of acquiring a 51-per-cent interest at a later date." Black and Bettis later identified the company as Hanna Mining. But a month later, when Norcan decided to buy back a small amount of its own stock, the company told shareholders in a mailing that it planned no major changes, which would presumably indicate that it had no takeover intentions. The police were investigating that same apparent contradiction in connection with possible fraud or forgery charges under the Criminal Code.

Last February the pace of the investigations began to accelerate. In roughly one month the OSC investigators and the

police interviewed 17 Norcan directors, officers and consultants, including Conrad Black and his brother, Manning. By the time the interviews were completed and the report arrived on the desk of OSC Chairman Peter Day in late March, the deadline for laying charges was rapidly approaching. Under the Securities Act, court proceedings must begin within a year from the time the commission receives a complaint. In this case, the deadline was midnight on the night when the eight commissioners met.

From the beginning, Day was concerned about a possible conflict. What if there are no laws setting out conflict-of-interest guidelines for the OSC, Day had an unusual relationship with the Norcan case. Before taking up his post at the securities commission in January, he had been a highly respected corporate lawyer and partner in the prominent Bay Street law firm Oaker (Donlan & Harcourt). That is the same firm that Norcan retains for legal advice on securities matters and one that worked with Norcan during the takeover bid. Day insists that he never had any involvement with Norcan during that bid. However, he told Maclean's that he did work on a matter for Norcan in 1980. Day pointed out that when he went to the OSC, he severed his ties completely with Oaker Harcourt. But while his strict contract states that he and Oaker Harcourt have no mutual commitment, it does specifically leave open the possibility that he may go back after two years' term as chairman expires.

Queen's Park; Chairman Day: the impact of the OSC decision was immediate



Regardless of Day's personal relationship with Ouler Hoskins, his former firm's role in the attempted takeover bid is clear. Day's onetime partner in the Ouler Hoskins corporate law department, Fred Hryciuk, not only handles Norcon's account but is also a Norcon director. Indeed, Hryciuk's address was part of the OGC staff investigation.

Moskowitz has learned that an internal Ouler Hoskins memo addressed to Haycke is included among the documents attached to the OGC investigation. In the memo, written by another lawyer at Ouler Hoskins, David Drinkwater, described how he had advised senior Norcon officials on the importance of disclosing major changes to the OGC and to the public. Haycke and Drinkwater took OGC investigators in an interview that their advice of a general nature and not directly related to Harnco. When asked about his relationship with Haycke and others at Ouler Hoskins, Day replied: "The embarrassed, my law firm is going to be embarrassed so I would rather not talk about the internal operations of the firm."

Before reviewing the Norcon case at the OGC, Day first took his concerns about a possible conflict to Brian Bellmore, an outside lawyer whom the securities analysts Bellmore cleared him. Day says, but the OGC chairman will feel it necessary to raise the matter with his fellow commissioners. Moskowitz asked Day if his participation would not create suspicion at least of an apparent conflict of interest in the public's mind. Day answered:

"Our procedures should never have been a public issue. They should never have been exposed to public scrutiny."

And indeed, even in this case, the decision-making process remains largely secret. Day refuses to discuss what went on behind the closed doors of the OGC. What is known is that the commissioners held three separate meetings to grapple with the pointed arguments of their investigators. In their report, the investigators charged that in deciding

to acquire a significant holding in Harnco—months before revealing it publicly in April 1982—Black, Norcon and some company officials broke the law by making false statements. According to the report, five public documents that Norcon filed with the OGC contain untrue information.

In an attempt to bolster a case about the intentions of Black and Norcon, Moskowitz has learned, the report details the nature of relationships and business transactions surrounding the takeover bid.

The report traces Black's initial

efforts to quietly buy up just under five per cent of Harnco's stock. Meanwhile, Norcon told the Canadian Imperial Bank of Commerce to establish a source line of credit for \$50 million to finance the Harnco acquisition program. That small purchase and the purchases to the Harnco bank grew into an enormous corporate battle that reached a climax when Black publicly made his takeover bid in April, 1982.

In arguing that charges be laid, the OGC investigators' report apparently also argues strongly that Black and the others be brought before the courts, and are to be dealt with by regulations. In December, 1982, OGC staff members considered the possibility of making a deal with Norcon. Under the proposed arrangement, the OGC would take no action if Norcon would make a binding agreement not to violate the Securities Act. The scheme fell through, however, because the Norcon individuals involved would only allow the company's name, not their own, to appear on the agreement. The investigators rejected the possibility of attempting to make such an arrangement in the future on the grounds that it would be ineffective. Since such a deal would neither find guilt nor apply penalties, the investigators concluded that it would impair the public confidence, particularly in cases involving well-known individuals.

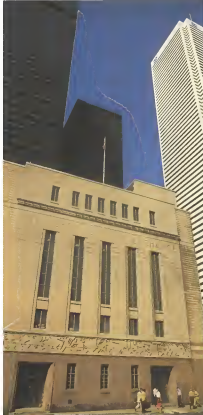
The investigators also reported the possibility that the commission, rather than the courts, would hold public hearings on the matter. Such forums do not have the power to impose any punishment—other than to issue a specific order against a company. In

the Norcon case, the investigators argued, that might be futile, harmful to Norcon's shareholders and unfair to Black and Battle.

But when the eight commissioners gathered for the third session of the affair on Friday, April 8, they decided unanimously not to take any action against Black, Norcon or Battle. That night Day reported the verdict in a phone call to Elgie, the man who would have to approve any charges. That was



Black: Toronto's Bay Street powerful representative



not the last time the commissioners had to rule on the case. They would deal with it again three days later.

Details of the OGC's decision sent to prosecute promptly reached McMaster's ministry, which had been working with the police for about a year as the criminal investigation McMaster was disappointed that the OGC had rejected charges in an earlier report dated Feb. 23, 1982. Moskowitz revealed that there were conflicting suggestions by senior officials in the attorney general's office that the police should refuse their criminal investigation in a matter of charges under the Securities Act. (Securities convictions generally carry much lighter penalties than those under the Criminal Code.) The police realized that pressure, but it also appears to have had the effect of slowing down their investigation.

Less than 24 hours after the commission's decision, an urgent meeting took place between OGC representatives and Harry Black, a senior Crown attorney in the attorney general's ministry, who is working with the police on the case. He met Day and four other OGC members. Harry Black's mission was twofold. He wanted to know why the commission reached its decision. But he also had a very unusual query even though the commission had no power to lay charges itself, would it support a suggestion by the attorney general to instead allow the police to lay charges under the Securities Act? Although Black pushed for an answer, the commission did not respond.

Elgie was the next cabinet minister to intervene. On Monday he summoned Day to his office for a briefing on the situation. Time was running out, with the Tuesday night deadline fast approaching. On Tuesday McMaster sent a letter to Elgie requesting that the OGC review its decision after hearing another presentation by officials from the attorney general's office at a special commission meeting at 4 p.m. Harry Black, accompanied by Crown Attorney David Delbert, again went to the securities commission. They made another pitch for securities charges, then they left the meeting to allow the board to reflect on its decision on Black, Battle and Norcon. McMaster's efforts were in vain. After about six hours, the commission reaffirmed its original decision.

At 4:14 p.m. on Wednesday, April 13, in newspapers and offices across the country, typewriter machines spewed out the first news of the commission's decision. The release, headed, "ATTEMPTED FINANCIAL REFORMS, was a cut 13 lines. The message was clear: there would be no charges. The release carefully stated that the conclusion "was made without appearing or disapproving the manner

in which Norcom acquired its interests in Hanna and the disclosures made by Norcom and its directors and officers in the course of making the acquisition." There was a conspicuous absence of any mention of the investigation's recommendations. In fact, many readers might well have been left with the impression that the investigation supported the commission's decision not to prosecute. The release read in part: "Based upon its review of the investigation carried out by its staff, the commission has concluded there are not sufficient grounds to support a recommenda-

criminal investigation.") Black has maintained that allegations against him are without any foundation. He told *Maclean's*: "There's absolutely not one shred of evidence of any infraction of any kind—which, of course, is what we never ceased to proclaim." Black contends that the police and the attorney general's office have harmed Norcom and its shareholders by bringing their investigation into the public realm. He said: "They proceeded in this way to ensure that our position was severely compromised in civil litigation in Cleveland and that our position from a reputational standpoint was really smeared in this country and the

from the staff in that respect," said Day. Day insists that the decision not to prosecute Black was thoroughly considered. It was not, he adds, part of a new conciliatory approach to business by the OIC. Day took over as chairman during a turbulent phase in the commission's history—its predecessor, Henry Knowles, sometimes raised tensions on Bay Street because of his adversarial approach to settling differences. Investment dealers, accountants and other securities lawyers greeted Day's appointment, on the other hand, with solid enthusiasm. Shortly after his appointment by the Ontario government last



Figure (left), McMurtry, a source of relationships and business transactions surrounded the takeover bid

decision to prosecute or to institute any other proceedings against Norcom or any of its officers or directors under the Securities Act."

For his part, Black contends that he has been cleared by the OIC. He also says that the decision has now eliminated the chance of the golden laying any charges under the Criminal Code. "I mean, they can't be serious," Black said. "We have been absolutely exonerated by the most authoritative body on the matter, and the fact is that the attorney general and the police have a great deal of explaining to do about exactly what they've been doing for the past 12 months." (McMurtry declined a request for an interview, according to a spokesman, because of "the ongoing

media." Black added that once the matter is over he will attempt to determine the reasons for the Toronto investigation. "It is as inevitable as tomorrow that we will get that explanation one way or another," he said. In an attempt to seek answers, Black said he plans to see Paul Godfrey, the Metropolitan Toronto chairman and police commissioner.

For his part, Day says it is "tremendously disillusioning" that the findings of an internal staff report have become public. He has always placed great stress on the secrecy of the commission's closed proceedings. It is "not unusual at all," he submits, for the commission to report the recommendations of its staff. "We function independently

and, Day told *The Financial Post* that there might be a better way of conducting the OIC. "Adversarial proceedings are one way of settling differences," he said. "There are other ways. And it seems that before you go all the way to an adversary proceeding, the chairman will have an obligation to explore other routes... I'm not a litigator. As a corporate securities lawyer, I'm trained to do deals, to negotiate deals."

However, last week Day told *Maclean's* that his commitment to openness toward the financial community extends only to policy issues, and not to enforcement. Said Day: "We have to police the securities market, and part of the confidence that the financial community has in our securities markets

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"J.C." Phillips

Chairman of the Board, Gulf Canada Limited

Last year, about two cents of each dollar Gulf received in Canada were paid in dividends to shareholders here and in other countries. Compared with the \$4.9 billion in total revenues only \$61 million left the country as dividends to foreign shareholders - about 1¼ cents for each dollar received.

About \$363 million were paid to Gulf Canada employees. Despite lower profits we spent almost \$840 million on capital and exploration expenditures.

It cost approximately \$2.5 billion (including petroleum compensation charges collected by the federal government) to buy crude oil and other raw materials. Also in this figure is \$218 million to buy crude oil from other countries. If Canada were oil self-sufficient, all of this money could go into the Canadian economy, and Canada would no longer be at the mercy of foreign oil suppliers.



J.C. Phillips

Here is how Gulf Canada used the more than \$4.9 billion which was the total amount we received in 1982:

1. Production, Manufacturing and Distribution Costs

Production, pipelines, refining, delivery to dealers and marketing cost \$1.2 billion dollars. Of this about \$700 million went for an almost endless list of utilities, materials, supplies and equipment, commissions, insurance and other services. Across Canada, Gulf employee costs, including benefits, amounted to almost \$500 million. From millions: staff to president and chairman of the board, Gulf is run in Canada by Canadians.



In spite of cutbacks necessitated by the deep recession, Gulf Canada at the end of 1982 had about 10,200 Canadian employees. Salaries and wages paid to Gulf employees during the year were \$363 million.

There are 10,200 people directly on the Gulf payroll. (More than three times this number - in service stations, farm centres, independent

agents and distributors - as well as supplier companies own their living as a result of Gulf Canada activities.)

2. Exploration

In 1982 the corporation's expenses in searching for oil, gas and other forms of energy amounted to \$218 million. Much of this went into frontier exploration in the Arctic Islands, wells in the Beaufort Sea, drilling off Canada's east coast, including the promising Hibema area on the Grand Banks east of Newfoundland. Though 1982 profits were one-third lower than in 1981, Gulf Canada is still investing as heavily as it prudently can in the search for oil and gas.



Polar bears are a frequent danger to workers in the Beaufort Sea area, where Gulf is drilling to find areas of Canada's future oil supply. One part of the cost of working in this arctic locale is the salaries for polar bear footprints who patrol with bullets to guard against these predatory animals. This is just one small example of the endless stream of services and materials Gulf buys to run its business in Canada - about \$700 million in 1982. We purchase everything from anchor winches in Mississippi and copy machine supplies in Vancouver to electronic equipment in Edmonton and pumps in Gravelly. We spend money with over 20,000 suppliers across Canada. Perhaps some of it comes your way.

3. Crude Oil Product and Merchandise Purchases

Why does a company that has been so successful in discovering oil have to buy additional crude oil? To meet the demands of industries and customers we refine much more crude than our wells produce. Most of this extra crude (together with product and merchandise purchases) is bought from other Canadian sources - approximately



Over 3,000 Gulf dealers and licensees are independent businesses who sell Gulf products. In addition, Gulf Canada directly operates about 150 service stations for "hands on" operating experience in key locations across Canada.

\$2.3 billion worth, (including petroleum compensation charges collected by the federal government). However, we still had to buy about 11% of our crude processed from other countries, at a cost to Gulf of \$258 million.

4. Taxes

Federal and provincial taxes totalled \$549 million in 1982, of which \$106 million was recorded as deferred taxes. This does not include the \$588 million in taxes paid under the Energy Administration Act. In addition Gulf collected \$403 million in gasoline, fuel, excise and export taxes for the federal and provincial governments.

5. Shareholder Dividends

In 1982, Gulf Canada shareholders in Canada and other countries received dividends amounting to approximately 2% of the corporation's total revenues (2.03% to be exact).

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Horacio Balle (left) with Black: "I mean, they can't be serious"

COVER

comes from tough enforcement. We can achieve a lot with co-operation, particularly in policy formulation, but the Conrad Blacks of this world also want us to be tough enforcers because they see the markets as much as the small investor."

The man who has to answer for Day and the commission in Ontario's legislature, Robert Elgie, says he is satisfied that the chairman had no conflict of interest in the case. "I'm not troubled about it," Elgie says, "in light of the fact that he [Day] disclosed that to the commission counsel and disclosed it to his fellow commissioners, none of whom felt he had a conflict, and I accept that."

Whenever a figure is president as

Conrad Black faces the law, the public is left to wonder if the treatment he receives is the same as that reserved by other citizens. Day discussed an "active" a question about whether Conrad Black received special treatment. But he added: "The enforcement of the laws has to be tough and it has to be even-handed. I'm sorry, I didn't mean to say your question was naive but, I mean, you can't compromise those sorts of principles." It is in that context that conflict of interest questions become all the more pressing. With the investigation's 11-month probe ending in a firm recommendation for charges and their position endorsed by the attorney general, those questions are pressing indeed. Nobody feels that pressure more than Peter Day. Asked his age he replied: "I'm 43 going on 38."

Toronto's stock traders: questions arise

With Alan Finkelstein in Toronto



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Taking the CDIC-measure for measure

By Linda Diebel

Last December, Senator Jacob Austin told a Commons Standing Committee that the government's two wholly owned aircraft companies—Canadian Ltd. and de Havilland Aircraft of Canada Ltd.—faced severe financial problems. Six months later, the minister responsible for the new majority-free-day holding company that embraces Canadian and de Havilland, Austin defended the federal decision to pump \$200 million into each firm. He estimated that it would take at least an additional \$200 million for each to survive the next fiscal year. Austin conceded that extra funding might prove unnecessary but he added, "I am a worst-case warrior when it comes to business activities."

The worst-case scenario did surface for Canadian last week (page 42). Prime Minister Pierre Trudeau dodged inquiry as to the public inquiry into the company's finances by handing answers to the Commons that its worst Crown corporation, the Canada Development Investment Corp. (CDIC), had control of the situation. While that did little to assuage the critics—the Canadian storm is still blowing—it highlighted once more the exasperation, frustration and, frankly, inability to get the government out of Vancouver-based Canada Development Corp. (CDC), CDC has since been handed responsibility for Ottawa's interest in half a dozen firms. Apparently, it has a mandate to do more, much more. For now, CDC's activity only by virtue of 17 official orders-in-council. It does not even have parliamentary approval to rent a desk, let alone collect management consulting fees—which company President Joel Bell insists must remain confidential, even from both Canadian and de Havilland.

The clearest indication of CDC's direction is its personnel. The chairman is Maurice Strong, world-travelled entrepreneur, part-time United Nations undersecretary, longtime Liberal and friend of the prime minister. The president is Bell, former executive vice-president of Petro-Canada and the principal architect of the controversial GRC report on economic nationalism. The company reports to Austin, formerly Trade Minister, principal secretary before his Senate appointment. All three men were instrumental in the creation of Petro-Canada, the Foreign Investment Review Agency and the Canada Development Corp. Considering the track record of interventionism, it does not appear likely that CDC is in business just to sell off Crown corporations.

Although Austin told Trudeau's committee that legislation is pending within the next few weeks, Parliament has yet to examine any aspect of CDC operations. The cost at the top now troubles the opposition. Conservative MP Donald Huxman broods at what he sees as the



Bell not just selling Crown companies.

"perfect example of Liberal patronage at the extreme" and warns that a Tory government would quickly end both Strong and Bell. Conservative Senator Strong, former president of the Treasury Board, says that by creating an unelectable corporate structure over an existing layer of Crown corporations, Ottawa is building "its own little Argus or Power Corp." And, for his part, New Democratic Senator critic Nelson Ben Giese that "while public situation is faring rightly focused on the

unemployment crisis, a very intricate vehicle for the Liberal party is quietly being shipped into place."

If so, the move indicated last fall in a series of cabinet decisions that transferred CDC authority to a cabinet committee headed by Austin and empowered it to manage the whole federal holdings. Since the CDC had no operating funds, cabinet authorized a \$200,000 interest-free loan from the finance ministry, to be repaid within a year. Austin told a Commons committee that the money was earmarked to "assist the work of the CDC in its study of the business of Canadian, de Havilland and other assets which are the property of the CDC." As well, he pointed out, it would pay the confidential salaries of Bell and those of other recently hired managers.

Although Austin initially described the new workings as a "small reorganization," the signals about the CDC's goals are becoming increasingly crossed. Conservative MP Marcel Levesque is concerned about the potential for "a great deal of fiasco," since Austin has said, on the one hand, that there are no plans for "additional acquisitions" and, on the other, that "we may require some additional Crown assets." And re-distributing worry that the CDC may try to use the assets of a company like Tele-Canada, which made a \$45-million profit last year, to support some of its other financially strapped operations.

Tele-Canada President Jean-Claude Demers said this, while general negotiations are continuing with the CDC, he is still not "precisely sure of its objectives." In separate interviews, Austin and Bell provided some clues. The senator called the CDC an "absolutely vital tool for the government to control its commercial exposure." Bell mused about the possibility of international joint ventures giving the CDC access to foreign markets and technology. But, he cautioned, "clearly, any international action the CDC would have would be played from the point of view of economic recovery." In past speeches, Strong has said that CDC would become "the key instrument of the government's industrial strategy" and speeded up its potential to "reshape and redesign Canada's economic future."

Auditor General Kenneth Dye, in contrast, expressed severe apprehensions. In his last report, Dye said that Ottawa was dragging its feet on nego-



Austin legislation to approve CDC may be presented within the next few weeks.

tions to "regain control" of Crown corporations—criticism he described as enormous rebuffs. "Feeling badly in the fuzzy Atlantic." He cited the CDC as a recent example of a Crown corporation "without adequate parliamentary review." Since then, Dye has negotiated with both Austin and Bell for the right to examine the CDC's books—a right he believes should be automatic, given the taxpayers' involvement. Bell Dye. "The CDC opens up a whole new way of governing through the use of a holding company for Crown corporations."

Austin does not disagree. But he is not sure he wants the CDC to face the kind of "comprehensive, subjective" audit that Dye has in mind. Recently, Austin supported last year's decision by Eldorado Nuclear Ltd. to switch from Dye to a private firm, on the grounds that it required various services not provided by the auditor general. Austin states that private firms offer day-to-day advice from their network of corporate knowledge. As he puts it, "I am not sure the auditor general is plugged into that commercial network."

Stevens is concerned that the CDC was created only because the "government had to do indirectly by going upstream what it could not do directly through the CDC." What Stevens has in mind was the emergence of CDC from the political ashes of former Liberal Business Minister Walter Dornan's brother-in-law, the Canada Development Corp. By 1986, the CDC had built itself into a \$3.4-billion concern with interests spanning oil and gas, petrochemicals and mining. Despite the fact that the Trudeau government had never defined a comprehensive economic strate-

gy, the prime minister presided during the 1980 election campaign that in the future the CDC would be "a more direct instrument of [the] national economy." It would, he said, "take into account the broad policy objectives" of his government.

But Ottawa faced a major hurdle in its attempt to shape the CDC in its own image. A number of share sales had reduced federal ownership of the company to less than 50 per cent, and heard arising through the use of a holding company for Crown corporations.

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gists were felt more responsible to the corporation than to their political masters. As former Finance Minister Donald Macdonald describes the conflict, "Once you have the public in as a shareholder, then you are no longer able to do an instrument of public policy. That has always seemed perfectly clear to me."

Not to official Ottawa. CDC spokesman David Crane said that the federal government had become concerned about the CDC's priorities. "It did not think the government should be able to do what it wanted to do," he said. "There was a question of rebuilding as industrial base, and some people wanted the CDC to do that." According to insiders, the crunch came when CDC President Anthony Simpson balked at Ottawa's insistence that his company last not troubled Massey-Ferguson Ltd. The federal government made a clumsy, highly publicized attempt to install Strong as the new CDC chairman at a May 1981 board meeting. With then Deputy Finance Minister Ian Stewart as an ex-officio CDC board member, sitting in addition, there was also pressure to appoint last-minute board members, including Bell. The board wanted the pressure, electing Strong as a board member but not as chairman.

The media criticism of the federal government over its methods and the resulting plunge in value of CDC shares forced Ottawa to try a different route. By January 1982, Trudeau transferred authority over the CDC to Austin. For several months, Austin worked with Huxman, in May the federal government moved to sell its 30 million common CDC shares "when financial markets are more favourable" and announced the formation of the CDC. Said Huxman, "I think the CDC is very much based on ideology. There is more and more state intervention in the business world, and the CDC is a beautiful vehicle for entry on the industrial side, along the lines of the National Resource Program."

Throughout the debate, the CDC has continued to set up shop. There are branch offices in Toronto and Ottawa. The headquarters is in Vancouver, where Strong has purchased a home and the CDC rents space from Jack Poole's real estate consortium, Dean Development Corp. To assist him, Strong brought his British principal secretary, Ann Simpson, from his London, England, office as well for the CDC—a gesture the news has called "suspicious, insensitive and surprising considering high unemployment in Canada." Like Simpson, who admits she is just beginning to learn about the CDC, Canadians will have to wait to learn what its activities have in store for the country. ☐



Canada's Challenger 600 assembly line in Montreal: one customer received a free jet after cancelling an order for 25

Clipping Canada's wings

For sheer shock value the event revealed Prime Minister John Diefenbaker's stunning 1989 refusal to rescue the costly Arrow fighter plane. CBC TV's the fifth episode turned its attention last week to another financially plagued aircraft, Canada's 100th Challenger 600. In a test-bike display of investigative reporting, the one-hour program revealed that the Crown corporation's ambitions but flawed executive jet program could cost Canadian taxpayers \$2.5 billion, most of which would never be recovered.

In a series of devastating revelations, the hard-hitting program reported that instead of the 238 jets that the Montreal-based company expected to have built by now, there were just 75, that one bizarre sales arrangement resulted in a potential customer, Federal Reserve Corp. of Memphis, Tenn., receiving a free jet and \$3 million when it cancelled an order for 25 of the wide-bodied Challengers; and that government investment so far included \$1.35 billion in loan guarantees in addition to a \$380-million infusion six months ago. The public affairs program further reported that cabinet was given a secret memo last October warning that the debt-ridden aircraft manufacturer would need another \$500 million to \$1 billion to stay afloat. At that rate, concluded the CBC, each of the 2,400 jobs involved in building the jet would represent a cost of \$400,000.

But the program's incredible list of findings did not end there. It even went on to question the plane's safety, maintaining that no fewer than

three cabinet ministers—Mark MacGuigan, Lloyd Axworthy and Pierre Bouchard—have had close calls flying in the two Challengers that the government owns; that officials have discouraged Prime Minister Pierre Trudeau from travelling in them because of the risk; and that investigators have discovered engine and airframe problems. Furthermore, Canada's sales figures have been inflated, and the department of justice has been asked to examine the company's selling practices, the fifth episode said. Justice Minister MacGuigan

The Challenger is considered so risky, said the CBC, that Trudeau has been warned against flying in it

acknowledged that his department had already sought a Toronto law firm's advice on one particular sales contract.

The report also said that of the 75 Challengers completed only about half are in service and of those at least six are for sale at well below the factory price of \$15 million. One customer, Technische Aankoop Canada (TAC), a Middle East firm that distributes the jets, ordered 51 planes but has taken only seven, it said. Not only that, but one aircraft CHAL 740 did fly for about 45 minutes but was eventually sold back to the Canadian government for \$10 million. Not surprisingly, the broadcast

raised an uproar in Parliament, with opposition MPs hurling a barrage of questions across the floor. They demanded a special inquiry and the resignation of at least one cabinet member, Energy Minister Jean Charest. As minister of industry, trade and commerce in 1976, Charest bought Canada's first Challenger from General Dynamics Corp. of St. Louis, Mo., for \$25 million to serve as a possible shadow of its sprawling north-end Montreal plant.

Prime Minister Trudeau said that the government does not regret having helped Canadaair and is willing, in fact, to pump even more money into the company. Canadaair should have the "secret" to save the company, he said. Trudeau admitted that the cabinet has known about the company's financial troubles since last fall. But he rejected calls for a public inquiry, arguing that Canada's difficulties were caused by bad business decisions rather than "senseless" activities, as Opposition Leader Ernie Egan charged. And Trudeau: "Because it is the taxpayers' money, I think Parliament should look at it first, and if they think an inquiry is necessary, then we will consider it."

Government ministers about Canada's management have already prompted Ottawa to place the company under the umbrella of the Canada Development Investment Corp., a government holding firm, Trudeau said (page 40). Now, with the Challenger apparently not yet fully to go the way of the Arrow, Trudeau said he hoped that the CBC will make "better business judgments." That sentiment was clearly shared by Canada's Challenger work force.

—ERNEST HILLMAN in Toronto

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A sane voice in an Orwellian age

By Peter C. Newman

More Lalonde's first budget confirms Ottawa's belated realization that the Orwellian world of 2004 is less than nine months off. We can no longer protest innocently from the celebrated future crowd in on us. The technological revolution around which the economy—and, eventually, Canadian society—must reorganize itself will be no easy transition. But we cannot continue to wait again in the age of space shuttles.

The virtual Canadian manufacturing system that rose so safely through the first seven decades of this century must be drastically upgraded. At just over one per cent of GDP, our national expenditures on research and development are among the lowest of any industrialized country, equivalent to a per capita basis to such high-tech nations as Egypt.

One problem we've had in trying to change all this is that few, if any, articulate and intelligent spokesmen have emerged to advocate the necessary reforms. One exception is John Shepherd, chairman of Leigh Instruments, past vice-chairman of the Science Council and head of the Norbitty consulting group. Shepherd calls himself "a critic, not a prophet; a horrified observer" of what's going on, recognizing his position as "somewhat to the right of the Khens (both Goggin and Herman) but still considerably more moderate than the Fraser Institute."

"Science is no longer a priesthood," he says. "The challenge of technology can't be insulated from public policy, as it has been. Technology has become the hardest of all trading currencies; it is a major determinant of social change and has to be discussed in that framework."

Shepherd is dismayed by our past record in applied research. He blames its inadequacy on the extent of foreign ownership, which prevents us to import knowledge instead of trying to create it. "The essence of a patent is a sale," he says, "have led us into transmuting a knowledge of automation into a fear of automation. It's time we began to make a distinction between the danger of one and the creativity of the other. A sense of collective pride is a cultural imperative. This substitution of sovereignty through technical and economic strength in the early effective basis for a real contribution to the

more general causes of nationalism."

Despite his solid credentials as a free-enterpriser (having twice salvaged Leigh Instruments from almost certain self-destruction), Shepherd advocates a new form of capitalism that would synchronize the financial and diplomatic powers of government with the business class. This would require the creation of a debate committee and a retreat from the attitude prevalent in most Canadian boardrooms—that the degree of democracy enjoyed by war



Shepherd's frequently just horrified

leading partners in somehow tied to the absence of their economic planning. "The private sector must remain the Canadian economy's chief driving force," Shepherd maintains. "But there's no reason to feel morally dubious about government intervention if it's effective." Instead of open-ended bailouts, he urges Ottawa to enter into specific contracts with companies seeking

federal aid, so that "at the end of it, the company involved is not either because a wolf or be thrown in there."

Shepherd's long-term, prognostications verge on science fiction. He hopes that respect and understanding between business and government will evolve into a contemporary love-in, so that the two realms become almost interchangeable as they see to some degree in the United States and Japan. Since U.S. corporate honchos drift in and out of Washington cabinets without having to take the trouble of getting themselves elected, the Japanese word *omotebure* (direct from heaven) is used to describe managerial transfers from government to industry. The day Mackay Olson becomes chief executive officer of Imperial Oil will be the surest thing meaning that Peter Poole's career is over.

Shepherd's most controversial stand is probably his only slightly facetious claim that Canada doesn't have an effective military-industrial complex. He would like to see defence expenditures used to boost industrial research instead of continuing the importation of most major military hardware. He points out that the defence department plans to order about \$1 billion worth of helicopters in the mid-1980s and that we are already the world's second-largest market for helicopters, with a total fleet of 1,250 machines and not a single one manufactured in Canada. By demanding that military contractors spend the equivalent of the per cent of their orders on research, \$1.5 billion would be pumped into high-tech development over the next decade.

It's a choice between trying to stroke back to life Massey, Deane, Malins and Chrysler or leaping out into a brave new world of Bush-B, Telidon, optic fibres and microchips.

Shepherd's influence is not large, since he limits his public appearances mostly to preaching to the converted and doesn't appear to high-profile public or corporate office. But his message is essential: we must contribute more to the global knowledge pool or be permanently shut out of it.

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A dejected Barry in his final days as the Canadiens' coach. "New people to run it."

SPORTS

Once and former kings

By Hal Quinn

There was a time in the rapidly receding past when the proudest possession of Canadian youngsters was a Toronto Maple Leafs or a Montreal Canadiens sweater. But again this spring, as *Oscar* picks are traded, is far fewer tennis balls, fewer and fewer of the participants in this hoisterous playground pickup games across Canada can remember the salad days of those once proud dynasties. Fewer and fewer kids fantasize about playing in Maple Leaf Gardens or the Montreal Forum, and their sweaters now carry the colors of the Oilers, the Islanders and the Black Hawks—teams that the youngsters know they can watch on television when the Stanley Cup is on the line.

The Maple Leafs have wallowed in mediocrity for so long that the team's 11 Cup wins, the last in 1967, now re-

semble a historical aberration. The Leafs' slight improvement this season could have earned them further had it not been for untimely injuries to key players. But their expected center in the first round of this spring's playoffs gave only a faint hint of an expanding renaissance. In Montreal the fall from grace was much more critical, and the retributions were swift. The Canadiens collapsed in three games against Buffalo, the third year in a row that the Habs failed to advance past the first round.

Canadiens President Ronald Corey promptly fired Managing Director Irving Grossman and assistant coach Ron Carson, demoted coach Bob Berry to a scouting position and accepted the resignation of the director of hockey administration, Howard Goodman. Irving's son, 32, was the biggest thalump in the Canadian organization in 40 years—when the course was set for a

dynasty that dominated the National Hockey League for 40 years.

Fashioning another powerhouse may be more difficult. Unlike the rebuilders of 1944—Senators Daniel Bouchard, William Northey and coach Dick Irvin—the still to be endured rebuilders will confront emerging dynasties in Buffalo, Edmonton and Minnesota and the reigning one in New York's Long Island. They will not have at their disposal the legendary skills of Sam Pollock, whose acute assessment of talent and trading wizardry sustained the Canadiens' level of excellence. And the new managers must begin with a team ravaged by the follies of their predecessors.

It was Pollock's policy to trade away precious little in return for losing talent, preferably a first-round draft choice. This tactic helped secure nine of the Habs' 22 Cups. Is a move that had much to do with Montreal's loss in this spring's playoffs. Grossman traded four players, including defense stalwarts Brad Lomax and Brian Engblom, to the Washington Capitals for Rick Green and Ryan Walter. As a result, the Canadiens were severely weakened on defense, lost their source of picks and success, and the Capitals made the playoffs for the first time in their history. Grossman also dealt off Dan Desautel and Garçon Goggin to Toronto (without telling his coach) and measurably improved the Leafs, in exchange for draft choices—but not first-rounders. The once failed Canadiens farm system, where players capable of skating on any team but Les Canadiens failed, has now been so depleted that the Canadiens' Guy Lafleur condensed early in the season, "We have nothing in the minors."

The candidates for the unenviable share of taking over from Berry include former Montreal centre Jacques Lemaire and the former outstanding defenceman and later the team's assistant coach, Jacques Laperriere. Serge Savard, another player from the glory years, who played for the Winnipeg Jets this season, says that he would consider rejoining the team as general manager. Corey indicated last week that he hopes to fill both positions before the next draft in June. "Maybe we could have gotten away with making just half the changes. I don't know," Corey told. "But in any company, fresh energy comes from the top. It's organization needs new people to run it."

This week, an eight-team tie for the Stanley Cup, the only hint of past glories is provided by pennants hanging from the rafters of the Montreal Forum and the team participants in the hallways of Maple Leaf Gardens. It could well be a long time before they hang another one. ☐

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The charter's quiet legal revolution

By John Hickey

A Calgary woman was caught red-handed with hashish but she was acquitted because her arrest was ruled unjust by Quebec's judges. A judge struck down parts of a 1990-91 language law on an unreasonable breach of citizens' rights. A judge in Newfoundland impugned the power of a wildlife officer to search a home without a warrant. In restaurants across the country the experience is the same: the statute and trusted customs of Canadian law are under challenge as never before because of the Canadian Charter of Rights and Freedoms.

Prescribed by the Queen's own signature on a rainy Saturday one year ago as Parliament Hill, the charter is more than the centerpiece of the new Constitution. It is creating a legal revolution. By the stroke of a pen, a system of judicial supremacy has displaced the supremacy of Parliament and the legislature. For the first time in Canadian history judges have the power to strike down laws, not only when they transgress federal-provincial jurisdictional boundaries but when they violate rights spelled out in the charter. In the year since its proclamation, more than 500 cases have been fought over the charter's clauses. Little by little, one case at a time, judges are starting to change the relationship between citizens and governments, and to redefine the authority of Parliament and the provincial legislatures. Chief Justice John Doherty of Quebec's Superior



Not a Love Story: Ontario citizens' commercial viewing has now in question

Court sought the sense of change in his landmark judgment last Sept. 8 on minority-language education rights. "The charter has radically altered the make of the game."

Some lower-court judgments have been bold, others have been more subtle. But their scope has ranged from the rights of schoolchildren, through the Income Tax Act, to anyone caught up—however innocently—in the criminal justice system. The decisions reflect nearly every element of the charter's 35 sections: freedom of religion and ex-

pression, rights to vote and live anywhere in Canada, rights to a fair trial and protection against search and seizure by the action force. On balance, said Justice Minister Mark MacGuigan, the high courts "have approached the charter responsibly, have avoided any extremes, but have made it quite clear that the charter will have a considerable impact on the future of Canadian law."

Only when appeals begin reaching the Supreme Court of Canada will the lower-court contradictions be resolved and the law of the land solidified. The Supreme Court's nine justices are to hear the first charter case on May 17—a test of the National Parole Board's power to suspend a prisoner's release before the end of his sentence. It will take years for the Supreme Court to mull any clear meaning into the charter as it references the disputes that come to it. Still, some cases working their way to the court already stand out as potential precedents for future judgments.

Reasons The presumption of innocence is a keystone of the British justice system transplanted to Canada with the British North America Act of 1867. But Parliament has made exceptions, as David Oakes discovered one December night in London, Ont., when he was picked up, searched and charged with possession of eight vials of hashish oil for the purpose of trafficking. His

some other laws, the federal Narcotic Control Act contains a so-called reverse onus provision. Once the Crown proves possession, it is the defendant's obligation to prove that it was not his purpose to traffic. But the Oakes trial seemed to make history. At the trial the judge threw out the trafficking charge as the grounds that the reverse onus breached the defendant's charter right to the presumption of innocence.

Lawyer Geoffrey Beatty, defended Oakes in the Ontario Court of Appeal, which upheld the decision. Oakes was convicted of simple possession, but the Supreme Court has agreed to hear the Crown's appeal as the trafficking charge.

The Oakes case, and similar judgments against the Narcotic Control Act in Prince Edward Island and Nova Scotia, have disturbed law enforcement officials. Says Nova Scotia's attorney general, Harry Thomas, "It must be bringing joy to the hearts of those who traffic in drugs." For civil liberties activists, the Oakes case will be an important test of the meaning of Section 1 of the charter, which guarantees the charter's specified rights and freedoms "subject only to such reasonable limits prescribed by law as can be demonstrably justified in a free and democratic society." At issue in the Oakes case is whether the reverse onus exceeds "reasonable limits."

Balance Another activist has fought right to the proceedings against unreasonable search and seizure by police or government bureaucrats. The Winnipeg-based firm of James Richardson and Sons Ltd. is suing the charter to oppose a Revenue Canada demand for documents under the Access to Information Act. So, too, in Southern life, to oppose a ruling of the Edmonton Journal office by Combex investigators. Both cases are destined for the Supreme Court.

Language The charter also established the right of Canadian citizens to educate their children in the majority language of any province, wherever the numbers warrant. It was first tested in Quebec when three school boards and a group of parents contended the province's Bill 101, which provides English language schooling only to children of parents who themselves attended English schools in Quebec. Doherty ruled that the cultural goals of Bill 101 were legitimate but the means adopted "unjustly exceed reasonable limits."

Reasons The charter declares that every citizen "has the right to enter, remain in and leave Canada." Albert Helmut Kraska, 74, an alleged Nazi mass murderer wanted for trial by the West German government, attempted to sue to fight his extradition by Ottawa. The Ontario Court of Appeal ruled last week that Kraska—a citizen since 1966—would indeed suffer a violation of his

right to remain in Canada, but that the violation is justified in a free and democratic society. It was open to Kraska to appeal to the Supreme Court of Canada, which he plans to do.

Freedoms The charter asserts the freedom "of thought, belief, opinion and expression, including freedom of the press and other media of communication." The Ontario Supreme Court recently struck down sections of the province's Theatres Act that empowered a



Discretion: 'Indicatively played the notes'

theater board to not perform or to prevent their showing, on grounds that the loosely drafted law violated freedom of expression. But, says Alan Borovay, general counsel for the Canadian Civil Liberties Association, it was "a defeat in victory's clothing" for civil liberties advocates. In fact, the court said that the province is within its right to censor movies and only needs to pass more explicit regulations to guide the board.

Early predictions that the Canadian judiciary would use its new charter powers conservatively have proven accurate. As the court said in the censor

board case, judges "will exercise considerable restraint" before knocking down laws passed by elected legislatures—a point that Supreme Court Chief Justice Bora Laskin has frequently expressed. The courts have, in the past, appeared equally restrained in their efforts to handling a different charter-related kind of case: the rights of the accused and the question of police misconduct. The charter gives anyone whose rights have been breached the right to ask a judge for a remedy. More specifically, it empowers judges not to allow any evidence in a trial if it was obtained through a violation of rights and "would bring the administration of justice into disrepute." One of the aims is to control politicians who have been too often tempted to ignore the rights of people they arrest. The results so far have been confusing. Some examples:

• Until the constable stopped her at the ticket gate, Betsy Barwell, 29, was just another young woman heading into a rock concert at Calgary's Stampede Corral last August. But she was caught in a spot check, and the police found a vial of hashish oil and a piece of hashish in her purse. But she was acquitted when provincial court Judge Douglas MacDonald, in a charter-based ruling, accepted her lawyer's plea that the spot checks amounted to "unreasonable search or seizure." MacDonald ruled that the Crown must not only produce the drugs as evidence, but also "the reasons why the search was sound."

• In Edmonton, on the other hand, police entered a hotel room without a search warrant to find evidence for a trafficking charge against three men. Justice Justice Van den Broek found the search illegal, but admitted the officers saw the evidence—rather than admissions—in this case would "bring the administration of justice into disrepute."

• In various cases in the past year, police in various regions failed to caution people whom they had arrested of their right to counsel and the reasons for their arrest—but the evidence was admitted anyway. In other cases, however, such police mistakes have led to exclusion of evidence.

The lower-court contradictions can only be settled when cases reach the Supreme Court for final rulings. Until then, the new legal protocols offered by the charter will remain problematic.

Whatever disciplinary impact the charter might have on police, in the past year it has clearly changed the work of Canadian judges. Ontario Supreme Court Justice Gordon Blair predicts that Canadian courts will become less engaged in the federal-provincial struggles that have dominated constitutional cases for decades and deal more "with the limits placed on government

Uncover: Just in neutral politicians who ignore the rights of people they arrest



tal power by the charter." Adds Hall: "To an amazing degree, the people have credited their lives to a connected judiciary. Far from being flattered, judges are concerned about the massive new responsibilities met upon them and the high degree of public expectation that they can provide answers to so many of society's problems." Overloaded dockets and controversial judgments, says Hall, threaten to subject the courts to public disappointment and hostility.

Lawyers—perhaps the people best able to judge the work of judges—differ on the courts' early performance with the charter—although most have discovered what amounts to a new hybrid of the old. "The courts are good for human rights law at the federal justice department, says neither judges nor barristers were well prepared to argue charter issues when the Queen made it law. Law Prof. Ralston Elick of the University of British Columbia says the courts have been surprisingly vigorous in using their charter-given powers. "I would say that many more cases are producing results that have the effect of changing the law than I would have predicted," he declared. In St. John's criminal lawyer John Globe says it often goes up to lawyers to "educate the bench" on the charter's new and olds.

Describe the important judgment on minority education aside, the charter has made its most impact in Quebec—the one province that has never accepted the November, 1982, constitutional deal between Prime Minister Pierre Trudeau and the other premiers. René Lévesque's government enacted Bill 66 last June 24, a far-reaching law that expressly overrides charter provisions throughout Quebec's civil law system. Even in the federal criminal law, unaffected by Bill 60, Quebec judges (and lawyers) seem slow to exploit the charter. The charter gives them St. Laurent-based criminal lawyer Michel Prud'homme. "Most of our judges don't understand the basic principles of criminal law because they have such strong civil law backgrounds. The same applies to their approach to the charter—they always tend to play it conservatively."

Still, the charter has been given life and force across the country in the past year, and its development will ultimately affect everyone. The good or evil of the charter will be determined by the nine Supreme Court justices. It will then be up to the people to judge their judgments.

With Peter Gault-Gordon in Winnipeg, Dick Duggan in Halifax, Dale Robin in Regina, Remond-Jean in St. John's, Ross Hurren in Ottawa, Gordon Leung in Calgary, David Milne in Vancouver and Paul Langens in Ottawa.

MEDIA WATCH

The vain search for a campaign of ideas

By George Bain

I have been suffering from a feeling of being somehow below the horizon. I know there's a Terry war on because they decided in Winnipeg to have one and because I hate the roar of distant guns. But I can't see who is firing what at whom. At first it seemed that perhaps I was the victim of a topographical accident which was responsible for bad communications. But a survey of 28 issues of seven major newspapers—*Hillfax Chronicle-Herald*, *The Globe and Mail*, *Montreal Gazette*, *Ottawa Citizen*, *The Toronto Star*, *The Vancouver Sun*, *Edmonton Journal*—has put that to rest. Bad communications I am getting, heaven knows, but my placement has nothing much to do with it. However, it appears, are Canadians getting fewer clear messages very much about what political campaigns are supposed ideally to be fought with—ideas.

The *Toronto Star* is an April 2 edition headed *SHIRY TRICKS IN TURT CATHEDRAL*, said. "The process is confusing. The issue is not simply how Tories go about choosing a leader, with the federal Liberals disappearing in the Gallup polls, the Tories may very well be choosing our next prime minister." Canadians deserve much better.

They do, too, from these newspapers, and for the same reason. Of the 18 candidates, at least six qualify to be called "senior," which means they have at least the ghost of a chance. Accepting the *Star's* premise, one of them by June 11 will be prime-minister-in-waiting. As matters stand, Canadians will know next to nothing about what that leader believes in, or says he believes in, and what he would do, or says he would do, with power at given. And that includes Joe Clark, who has already told the job.

What does Brian Mulroney stand for? According to an Ottawa *Citizen* story, April 7, he is "presumably" for the province of his birth, Quebec, but he "remains" that in vague cases in a plebiscite society abortion should be provided in recognized institutions by competent personnel. "Nevertheless, another issue on which the national will-barring none?" He doesn't think a will-barring should be transferred off to jail for selling can be the pound. Billings off money-losing Crown corporations. "Sure

there's a need for it, but the much greater and urgent need is to instill a sense of discipline and a requirement for accountability."

That's it! It seems unlikely Michael Wilson, as reported in *The Toronto Star*, April 2, would eat the Privy Council Office in half, would put Air Canada out of business, or, as Canadian National Railway, Tele-Global Canada Inc. and Eldorado Nuclear Ltd. on the block and would see that other Crown companies—Crown companies in total constituting "a secret inner oligarchy"—were made to adhere to guidelines set by the cabinet general of Canada. Peter Blaikie, who may at may not qualify as a serious candidate, was reported in the *Hillfax Chronicle-Herald*, April 8, as urging the Conservative party to "become more involved in policy debate"—on, presumably, among other things, defense, economic nationalism, government spending and federal-provincial relations. No further lines in the story said on which side of any of these issues Blaikie might be found in any subsequent debate. Peter Frothingham, whose views have been exposed at length in reverse proportion to his standing, was encouraged by Lawrence Martin in *The Globe and Mail*, April 1, to embrace himself as all manner of subjects, and that takes in fairly well all the reporting that this nation swash through the papers produced on what candidates have said.

That is not to say there has been no coverage. There has been voluminous coverage of the dirty tricks in the choosing of delegates, of the real or imagined influence of Anwar (or Bongo) PREDATORY FAIRIES ANWAR DELEGATES PICKED—The *Globe*, April 11, of the interests of young candidates with power, of interpretations of polls, of the political maneuvering of the campaign. But of the things on which people perhaps will be helped to make up their minds between one candidate and another, because what the one says on this issue strikes them as sounder or more, were more attractive than what the other says, there has been next to none. This is stupid of the newspapers and of print generally, because the advantage print has over television, which deals in images and action, is that of being able to convey the substance of an issue, which means ideas, which means words people can use at home.

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PARTICIPATION

FOR THE RECORD

Emotional surprises

THE KEY
Joan Armatrading
(A & M)

Like unseasonably fine weather, Joan Armatrading is always the source of unexpected delights. Long recognized as an emotive singer with considerable guitar skills, she has been at times unfairly tagged as just another "sensitive" songwriter. With *Walt Under Ladders* in 1981—a brave move into the spirit of new wave—her powerful sound earned new respect and listeners. While that album took during musical stops, *The Key* covers new ground lyrically. The shockingly honest songs about emotions are still present, but there is also a new toughness, the tantalizing blackmail in *Tell Tale* ("Now I got things that I can tell your friends"), the jealous challenge to a love interest in *Drop the Pilot* or the single observation about romance in the title cut ("You tease me on you know I need you"). While Armatrading has ventured forward with her words, the music on *The Key* is regrettably conservative. Except for the devilish guitar and drums on *The Dealer* and the funky rhythm of the title song, she has returned to acoustic guitar and familiar rock arrangements. Still, Joan Armatrading is a performer who truly has more surprises to follow.

WAITING
Fun Boy Three
(Chrysalis/Capitol)

Formerly the vocalists with the British band the Specials, Terry Hall, Neville Staple and Lynval Golding in 1981 formed Fun Boy Three, a permission-craved trio that mixed musical styles. Although their first outing was amazing, it suffered from too much self-indulgence. Now with producer David Byrne from Talking Heads in control, the group has traded brautiness and bonzo for subtlety and wit. We're *Having All the Fun* and *One Love Are Sealed* both demonstrate a mature melodic style free of excesses. The exception is a deadly serious view of the Irish conflict called *The Morn' I See*, which, without a trace of satire, makes the mark with its antirealist crudeness. At such times, Fun Boy Three are about as much fun as a throne speech.

—NICHOLAS JONES

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Wiebe: perceptions overwhelmed by lurid rhetoric

BOOKS

Tainted love

MY LOVELY ENEMY

By Rudy Wiebe
(McClelland and Stewart,
362 pages, \$24.95)

The novel is the most adaptable of genres. It can be stuffed full of everything from poetry to philosophy, history to sex. But that versatility can be a dangerous temptation to a writer, an invitation to self-indulgence. Edmonton novelist Rudy Wiebe, one of the most intelligent in Canada, has cautioned his new book with a cargo of his own passions: Messianic fantasy, God's love, the soul of modern Alberta and the destruction of the Plains Indians. However, the controlling passion of *My Lovely Enemy* is self-indulgent speculation.

Wiebe has always been distinguished more by the strength of his moral perceptions than by the grace of his style, that has thrust to explain how one man's prose schismy personae, area incomprehensible. "Imagination," he writes, "is the only personally meaningful possible, away from all necessary." When middle-aged male revelation begins discussing the nature of love, they need to keep a tight grip on ab-

stract rhetoric. In his latest book, Wiebe often loses control of his language.

Despite its intellectual pretensions, the novel's plot is founded on a topic as old as Genesis: adultery. James Dyck, a university historian in Edmonton, falls in love with Gillian Overton, the young wife of a colleague, yet Dyck remains deeply attached to his wife and daughter, not to mention his dying mother. Surrounded by feed women, none of whom he wants to betray, he stubbornly insists on justifying his behavior. Dyck even holds two small conversations with Jesus Christ, in a Calgary hotel. Jesus tells him that God is "hand, over hands in love" with his creation and that love is "exquisite health." By such standards James Dyck may indeed be made in God's image. But his mistress is a mere fantasy of male desire who lacks complexity and motivation. And for all the pretensions of *present-day sex*, a satirical lampers that Wiebe and another family love and the past.

Wiebe's meditations of subject and tone suggest a common problem faced by contemporary novelists: Many writers are unwilling to accept the restrictions of old-fashioned realism, which to them seems less and less adequate in the light of advances in psychology, physics and cinema. By abandoning that realism, however, a novelist can lose a wealth of attractive properties—not to mention most readers. *My Lovely Enemy* is an unhappy example of a novel torn between the realistic and the visionary.

The book does contain a few marvelous scenes, such as a Jewish meal in a Jewish old man, which has been converted into the most exclusive club in the West. There the guests dine on maple tongues and buffalo tail before being immersed in total darkness. In that space Wiebe seems suddenly in control, on the verge of a magnificent revelation. But his readers for lurid rhetoric soon let him down again. It is difficult to take seriously a novel whose central revelation is "A man was made to love woman to destruction on all fours."

—MARK ABLEY

Petty problems of petty people

A SOUND LIKE LAUGHTER

By David McFadyen
(General Publishing, 335 pages, \$19.95)

Although it is the fourth and final volume of David McFadyen's cycle of novels set in the Ontario university city of Kingston, *A Sound Like Laughter* falls chronologically third in line. The main story comes full circle with last year's publication of *It Is Always Summer*, in which one of the male characters in the series, Robert Mallen, becomes inhabited once again with the woman who eluded him 10 years earlier. In *A Sound Like Laughter*, Robert is related to an unattractive romantic figure himself, new characters take over the action and the thwarted passions of the other books have constructed to something more brittle and bitter. Here the characters occasionally get what they want, only to graduate from frustration to chronic disappointment. While McFadyen has turned this labyrinthine state of affairs into a comedy, the laughter it provokes is rather hollow.

McFadyen constructs a sophisticated soap-opera web of intrigues, weaving the characters together in perverse and surprising ways. When a petty thief trying to stay out of jail finds himself teamed up with Anne, a Queen's University student in pursuit of an organic and admission to law school—on that order. Marianne, eager to demonstrate her lover, Brent, resorts to blackmail to secure income for him at the college. Kingston is less a landscape than a novel of emotional disintegration. Comfort and security come with a price: the inevitable loss, the loss of the university, the bureaucracy of domestic life. McFadyen has taken advantage of a community in which the usual small-town social intrigues are complicated by the mapping moral process of the college and the press, with their implied promise of knowledge, acceptance or, at the very least, rehabilitation. In either world, life might possibly improve. But in *A Sound Like Laughter*, life becomes increasingly bleak.

McFadyen is a quick-witted artist, able to sculpt a character in one paragraph and, as usual, he writes more effortlessly than he thinks. But behind the black comedy there is a disgusting sense that nothing of value is really at stake. For sheer entertainment, the novel is a smooth ride, but the sense of life's dwindling prospects may simply reflect the author's own exasperation with a society and cast of characters that he has fixated exploring. —BARBARA JACKSON



The Kingston Editor of the *London Free Press* in London, Ontario, as featured in the Summer issue (for sale May 1986)

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Hyde as current as the evening news

Turning outrage into clutter

THE TENTH CRUSADE

By Christopher Hyde
(McGill and Stewart,
\$20 pages, \$18.95)

Implausibility is the most common flaw of thriller: the story must be believable to keep the pages turning. That task of authenticity has never been a failing of Charlottetown writer Christopher Hyde. His previous novels featured earthwork dams collapsing and computer fraud on airlines. After *The Wave* (1979) and *The Fourth Seal* (1982) were published, readers remarkably similar to Hyde's scenarios actually happened. Now, in *The Tenth Crusade*, Hyde is once again as current as the evening news, concentrating on the evangelism that is allied with conservative politics and money.

Fans who expect much of Hyde will not be disappointed in the detailed development of his theme and the moral outrage that he brings to it. But they will be disappointed by the silliness of the two main characters. Protagonist Philip Kirkland is approached and seduced by an old but charismatic love, Heather Foxcroft, a searcher for ultimate truth in religion and life. When Foxcroft disappears, Kirkland begins an odyssey across the United States and Canada, hoping to find and rescue her from the Tenth Crusade, a moralistic army dedicated to the eradication of liberals, humanists, affairs and the Equal Rights Amendment. On the way, he links up with Sarah Logan, a historian who has exhaustively researched the crusades for evidence to prove that blacksmiths drew her father to suicide.

For the action fan, there are two murders and a kidnapping in the first 40 pages. After that, there is a long, weak chase, a flaccid romance and a lot of talk before the plot is finally tied together in a tension-filled ending. All too often, the dialogue reads like a comic book, stooping to cliché like "Out of the frying pan and into the fire." He is also too eager to hammer home his message that the benevolent New Right is wicked and he frequently compares the United States in the 1980s to Germany in the 1930s. Repeatedly, Logan and Kirkland tot up statistics of funds paid and souls watched. She drowns on wish facts about evangelism, while he lists every object he encounters.

When Hyde drops his obsession with details and sticks to the issues of religion and mind control, the results sparkle. Foxcroft wanders through a series of monologues that reveal more about desperation and reliance on cults than all the boring facts that spew out of Logan's print lips. "It would mean all the time and all the tens of thousands of miles she'd travelled had been for nothing," Foxcroft says, as she considers the years she spent in various cults. "And if she admitted that, admitted that it had all been a waste of time, an escape rather than a seeking journey for truth? Madness." Had Hyde kept his focus on that madness, *The Tenth Crusade* might have been as chilling as its subject.

—MARGARET CAMERON

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- 5 *Foundations of the Earth*, Atkinson (5)
- 6 *2040*, Gwynne, Two, Clarke (6)
- 7 *Difficult Women*, King (7)
- 8 *Michael's Daughter*, Kravitz (8)
- 9 *The Lonesome Gods*, J. W. Moore (9)
- 10 *The Delta Star*, Wrenn (10)

Nonfiction

- 1 *The P-Plan Diet*, Ryan (1)
- 2 *In Search of Excellence*, Peters and Waterman Jr. (2)
- 3 *John F. Kennedy's Workweek*, Zinsler (3)
- 4 *Wayward*, McNeill (4)
- 5 *Gracie: An Intimate Portrait of the Liberal Party*, McGill-Struman (5)
- 6 *Boys! Survival*, Berry (6)
- 7 *The Establishment Man: A Portrait of Power*, Newman (7)
- 8 *Why We Art Like Canadians*, Gorton (8)
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ENVIRONMENT

The erosion of the Golden State

Although sunny days have finally returned, Californians continue the chore of clearing debris washed by this winter's raging storms. Many of the state's most spectacular beaches lie covered in sand and littered with splintered wood. Fields of vegetables and grape have become soggy sponges, awaiting for this growing season. And plastic shopping glasses on both coastal and inland hillides to prevent further mud slides near houses. As if this winter's blizzards weren't enough, scientists warn that there may be severe spring flooding when the massive snowpack in the High Sierras begins to melt. Even more sobering is the fact that some weather forecasters predict that violent storms will be more common in California than has been the case during the recent winters of the past 30 years. If they are correct, the vast, scenic mosaic of California's coastline and beaches could be gradually swept away.

The immediate shock, however, came from the recent storms. Fully 76 per cent of California's coastline were declared to be in a state of emergency; 11,000 people were forced to leave homes endangered by waves, floods or washed-out highways; and 600,000 acres of prime farmland were flooded so badly that crops died or spring planting was impossible. Along the state's beautiful 1,250 km coast, dozens of homes were washed out to sea, piers, docks and breakwaters were destroyed, and 300 km of coastal highway became impassable. So far, the Golden State has suffered \$350 million (US\$) in damage.

One of the most impressive cleanup operations currently under way in the restoration of the winding Big Sur coastal highway south of Carmel, which has been closed since January. Stretches of the state's most scenic highway succumbed to the combined clashing of six-metre waves from below and massive landslides from above. "The slide at Hurricane Point covered half a mile of highway," said Bruce Lennard of the California Department



California's battered coastline; clearing debris (below): swept away

of transportation (Caltrans). "The mountain just moved over and covered the road," he said. Methods of highway repair have become technologically sophisticated, and Caltrans intends to reopen the Big Sur highway by the end of this month.

Even less certain is the fate of the beaches. The cliffs that have fallen into the sea are gone forever and it is not clear how long it will take the ocean of lost sand to return to the shores.

Ironically, California is generally thought to be a dry state, crisscrossed by irrigation canals and golemed by reservoirs that collect and parcel out precious water supplies. But now, with the highest two-year rainfall in more than a century and reservoirs throughout the state almost full, residents and experts alike are seriously following the weather reports. "There are now 68 inches of snow in the Sierras—almost a record," said Norman Hoffman, chief forecaster at the National

Weather Service in San Francisco. And, one damn warm week would send the spring melt cascading down into the already soaked valleys.

This winter's storms have been blamed on a variety of factors: sea spray, the relatively high surface temperatures of the Pacific Ocean, volcanic dust in the atmosphere and a larger snow cover than usual in the central United States.

"It was the unusual combination of such factors at work this year—all of them coming together—that produced such fierce storms," explains weatherman Hoffman. Still, scientists at the Scripps Institution of Oceanography in San Diego claim that hammering waves and severe

coastal erosion in California are the historical and geological norm and that the past 30 years—during which most beach homes were built—have been unusually benevolent.

Whether the marian scientists are correct or not, their view is already having some impact on public policy. The California Coastal Commission (CCC)—a state environmental agency—recently recommended that a task force be set up to determine the causes of the recent disasters and to suggest possible changes in regulation and construction standards. Its major purpose would be to help the state avoid similar disasters. And it is vital to make changes now before the debris is removed and surfing and beach parties resume, cautioned the CCC's executive director, Michael Fisher, because "one drastically sized human trait is the ability to create unpleasant memories. A few months from now, people will have forgotten that all this has happened."

—PAT O'LEIGHOON
Los Angeles



Varaprasad, Mendler: sweet humor replaces stereotypes and gives secrets

TELEVISION

New World sympathies

BEST OF BOTH WORLDS
CBC, April 21

In an era of closely monitored multi-culturalism, stories about ethnic misunderstandings often have all the subtlety of a mild-creamer episode of *Different Strokes*. Characters are frequently reduced to one-dimensional figures who represent such concepts as bigotry or ethnic suffering, and plots sometimes unfold with all the tension of a constitutional debate. The 90-minute CBC comedy-drama *Best of Both Worlds*, however, is a diverting comedy of manners, not a sermon.

And Nari (Sugita Varaprasad) is a trendy, ambitious young man who is dazzled by the smorgasbord of opportunity offered in the New World. When Anil, a second-generation Canadian of East Indian descent, appears his mother's elaborate curry in favor of fusion cuisine, it is obvious that a cultural chasm has opened. But Anil's tastes in food are less upstart to him than his tastes in women. He seductively courts a wealthy young NAME, Tammy (Gaye Burgess), whose mother treats him as if he were an unconvertible.

Anil's parents, on the other hand, arrange to import a bride from India. And wants nothing to do with her, but the lure of her \$20,000 dowry persuades him with an opportunity. He plans to marry and then abandon the girl, using her nest egg to fund the opening of a tailor risk. The resulting events are intricately appealing and contain many light-hearted comic touches, such

as Anil snarpering down a stalled escalator.

Stereotypes and plot lines for racial understanding are happily absent from the show. Anil is an odd and mischievous as any establishment-bred fortune hunter. Tammy sports liberal rhetoric, but she becomes totalitarian when misfortune arrives. And the mid-order bride, Shanti (Mellie Mendler), sees through her husband, telling her 1000 while Anil boasts *Best of Both Worlds*.

The story takes a number of turns along its route, some predictable, a few unexpected. At times, incidents occur that appear to be gratifying out of taste with the plot's race-tinted humor. But Varaprasad, who also wrote the script, and his director, Douglas Williams, gracefully restore the show's stride after each near-upset. The details of the actors are few. Varaprasad may be surprised at the romantic tag lines a bit too broadly, and Burgess slightly overdoes the spoiled, freestyle princess. Mendler, however, is close to flawless, her transcendently lovely face radiant serenity.

The charms of *Best of Both Worlds* is that a seemingly unlikely together stock story—fortune hunting, a romance triangle and cross-cultural misunderstandings—Varaprasad emerges as a refreshing scriptwriter, and the producers pay heedless attention to the peripheral details that bring the script really to life. A sequel would be welcome, but it would be better still if the creative talents move on to new, untold challenges. —BILL MACVICAR

FILMS

A matter of visibility

When Montreal filmmaker Terry Nash, 34, rushed on-stage to collect an Oscar last week for his controversial anti-nuclear war documentary, *If You Love This Planet*, he thanked the U.S. Justice Department "for its tremendous effort in promoting this film." Nash was referring to Washington's deadline last month that the 86-minute film, produced by the National Film Board of Canada, had been labelled "political propaganda." Anti-nuclear groups protested against the fact that U.S. distributors were required to provide the government with names of people wishing to see the film.

But *If You Love This Planet* has made a major gesture north of the border as well. Although the film had been aired on Radio-Canada and pay TV's Superchannel before the awards ceremony, CBC-TV refused to schedule it for nine months. Says Tina McGuire, CBC-TV network program director: "We told the NFB it would pose serious problems with our journalistic policy because it is a one-sided polemic. But we said that we would try to find a way of airing it." When the film won an Oscar for best documentary short subject, it took the CBC less than 24 hours to move. On Tuesday evening, *If You Love This Planet* was shown on The Journal. "We determined that our audience would like to see what all the controversy was about," said Executive Producer Mark Sturges.

The film interweaves scenes of Hiroshima and Nagasaki after the atomic bombings with a lecture on the medical consequences of nuclear war and a political address by Dr. Helen Caldicott, president of a nuclear-free group known as Physicians for Social Responsibility. Last month's Complex screened the contentious item in seven theatres across Canada, along with two films on acid rain, but attracted fewer than 3,000 viewers.

Although an estimated 1.6 million people saw the film on The Journal, Roger Katz, an NFB spokesman, is disappointed. "It's a huge situation when they have rejected it and then put it on with four hours' notice," he says. Nash is bemused. "I guess I could have avoided the dilemma by making my film less biased," she said. "But I wanted it to be that way—biased against war." —CARL BRUNAN

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MERCURY

The litany of Liberal sins

By Allan Fotheringham

The ritual of the public is heavy and unwieldy, sluggish and glacial. It takes a long time to collect itself and to move. Once set, though, there is no turning back. It stores things away. Like a data bank, for future reference. Old slights pile up, and past grievances are dredged up. You can't shake the thing forever. This, then, is what a senior Progressive Conservative thinker has in mind when he muses that the next election "is going to be like a war crimes tribunal." What he means is that, when the date comes—most likely the spring of 1994—a great roll call of Liberal sins and goofs and gaffes and blunders is going to be recited in the public mind, but not in memory as if on a never-ending printer. It's going to catch up with them, and they're going to have to answer all over for every one of them.

There is an astonishing list on the roll call, the Liberal misdeeds and fudges so familiar by now that it almost becomes a accomplished fact—the norms that is accepted. No one flinches in Ottawa or in the country anyone when yet another government minister or co-minister or future

minister is caught in yet another technological accident, one always and finally, oh yes, to him, here they go again. We were all exercised a few weeks back at the Gillespie affair, the clear evidence being that former minister Alastair Gillespie used his good friends in government and in the ward around to help along a business deal in obvious violation of the conflict of interest guidelines imposed by the prime minister himself. Former finance minister Allan Rock was clearly implicated, because the scheme supposedly held employment prospects for his nephew in Nova Scotia. Finance Minister Marc Lalonde was clearly implicated, because his faulty memory couldn't quite recall when Gillespie began to call on old friendships. Pierre Trudeau was clearly implicated, because he claimed that Lalonde was completely innocent when he wasn't and, besides, he explained in that

Allan Fotheringham is a columnist for Southern News.

blatant manner he uses when caught out, the guidelines on ministerial ethics are just simply him and his friends and here as well meaning, and it doesn't concern him in the least, he apparently being an advocate of adjustable ethics. I have principles, says the politician, and, if you don't like them, well, I have other ones.

Gillespie goes about his business of making money while Trudeau and MacEwen and Lalonde continue on with their business as if nothing had happened, that week's little fiasco endured and forgotten. Now we have Bryce



MacEwen, twisting and self-serving in the role of a parliamentary committee which he performs rather than the liberal course, declining to use a newspaper for reports that he claims are false. Another disaster is discovered in the Caradour fiasco with a possible \$2 billion down the drain, and the prime minister, while saying there "may or may not be a scandal," refuses to consider an inquiry. If it's Liberal, it must be good, and there can't be anything wrong because Liberals have your best interests at heart.

In the second row in the government benches sits Solicitor General Robert Kaplan, a walking accident, neither disciplined nor demoted for his clumsy, confused handling of the Clifford Olson mass murder payoff, a minister consistently in a struggle with his competence. The Alberta scam is brought to a shattering halt by the heavy-handed application of the National Energy Program, and Lalonde, the architect, is rewarded by being put in charge of the whole Canadian economy because the

prime minister has run out of other available bodies for the task. The man who won't recruit talent and drives away talent does not shuffle ministers but shuffles the seats, MacEwen as a disaster in Finance going to External to replace MacEwen who goes to Justice to replace Chrétien who goes to Energy to replace Lalonde who had to go to Finance to replace MacEwen. It is indeed the rearrangement of the deck chairs on the Titanic.

The heavy memory of the public will recall the fuzzy details from the past when the polling booth arrives. The un-

distinguished Peter Stastny is given an undeserved lifetime reward in the Senate as Jimmy Gault can have the privilege of blowing the Spanish system. The chief Michael Priddy, supposedly an brilliant that Canadian industry and academia are lasting for his services, went instead into that same pastoralism of spivized lies, a man in his 40s prepared to spend the next 10 years of his life sitting amidst the hall and the home and the bill. It is only in a supposedly arrogant government, it suddenly reveals itself as a faithless one—what were thought of as the best and brightest rearing for the nation, taking the easy way out, the lifetime-reward escape. Yet another Liberal will be made a judge. The prime minister makes his 24-hour house-keeper a deputy head of protocol at External Affairs. They're all running for their hides at the end of power for this bunch comes near.

When they write the history books on the inventor of the Just Society, they will conclude that the perks and the patronage and the pork barrel were just for Grits.

All the public wants is a chance at them. The backdoorers are now afloat, aware that unless Trudeau goes the party will be decimated in the next election. The message creeps to Ottawa from the workers in the construction chain out the top or the bottom is going to fall on. They didn't need that 50 percent Tory Gallup to tell them that. The trial of this government is coming, at the ballot box, and the public won't forget the list.



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